# Clinton Seeks Fast Action On Mexico As Peso Skids

Markets and Dollar Fall As Leaders in Congress Won't Commit on Aid

By Paul F. Horvitz

International Herald Tribune
WASHINGTON — As nervous financial markets in Mexico deteriorated further, President Bill Clinton urgently reached for a political consensus Monday to win congressional approval of \$40 billion in least the congression and the congression approval of \$40 billion in least the congression and the congression and the congression approval of \$40 billion in least the congression and the congressio lion in loan guarantees.

Mr. Clinton told the leaders of both parties in Congress that, after weeks of private negotiations, he wanted the final draft of legislation for the loan package for Mexico to be placed before lawmakers by the end of the day Monday.

Concern about whether Congress would

approve the loan guarantees, as well as a report in the International Herald Tribune on Monday that Mexico's foreign exchange reserves could be as low as \$2 billion, caused the Mexican peso to plummet in foreign currency markets.

A spokesman for the Bank of Mexico, quoting its president, Miguel Mancera, denied the newspaper report without offering a current figure. He said that reserves were tallied on a monthly basis and that the January figure would be published in early February. The number published in early January was \$5.546 billion.

Asked if the forthcoming figure might include reserves borrowed from other countries, the spokesman replied that Mexico calculates its reserves in the same way as other countries. Few central banks break out their foreign borrowings in their regular statements, although the extent of the borrowings usually emerges many

The dollar, despite being weak against most other currencies, rose to 6.3500 pesos around noon from Friday's close at 5.7350. The dollar fell sharply against the Deutsche mark and the Japanese yen, while stocks markets slumped in Mexico and New York. (Page 11)

- Mr. Clinton also sought to rally broader support for the Mexican aid plan, telling a meeting of state governors that the United States "has a lot at stake in Mexico."

Later he said: "This is something we have to do" but conceded that "time is not a friendly factor."

He denied that his plan was "a bailout for Wall Street," as some opponents have

suggested. It was unclear at midday which way the political winds were blowing, as political leaders in Washington sought to avoid any scenario in which they alone would bear the blame for any subsequent events related to the Mexican liquidity crisis.

The speaker of the House, Newt Ging-rich, for example, would make no firm commitment on behalf of Republicans to press the legislation forward, although he said movement was "possible."

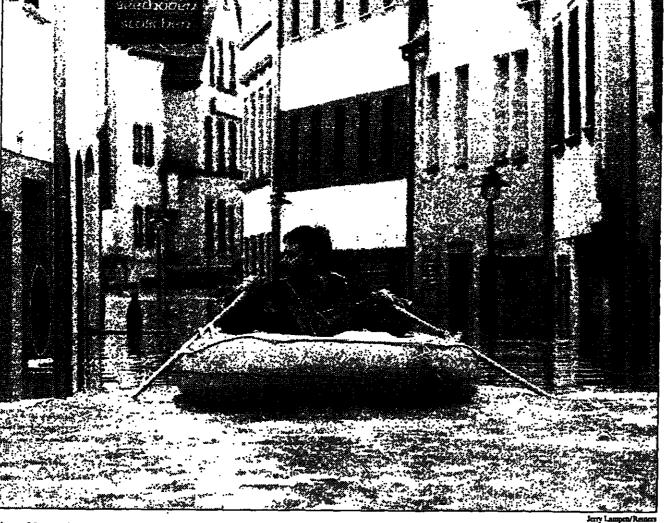
The loan guarantee plan, the Georgia Republican declared, "has almost no support in the country at large, and the president, I think, has not adequately explained

Meanwhile, Treasury Secretary Robert Rubin issued a "declaration of support" for the guarantees signed by three former U.S. presidents, six former secretaries of state, five past Treasury secretaries, six former secretaries of commerce and dozens of other former high-ranking U.S. offi-

The letter concluded that "bold measures" were needed to stabilize Mexico's financial markets "and to prevent a domi-

The display of support strongly resembled a similar public relations blitz by the White House before the pivotal votes in Congress on the disputed North American Free Trade Agreement in 1993. This time,

See MEXICO, Page 9



A resident of Koblenz, Germany, rowing his way through the streets on Monday as floodwaters reached record levels.

# Car Bomb Kills 38 in Central Algiers

ALGIERS - In the worst bombing of the three-year Muslim insurgency, a car packed with explosives blew up Monday on a street busiling with pedestrians preparing for Ramadan. At least 38 people were killed and 256 wounded in the attack near police headquarters, Algerian state television said.

Security forces said most of the dead and wounded were pedestrians walking in the busy central commercial district. There was no claim of responsibility.

The security forces blamed "criminals," the official term for fundamentalist guerrillas seeking to topple the army-backed government and install an Islamic state.

Algiers radio said late Monday night that the bomb contained several hundred almost deserted and the district quiet.

ing at the Algiers airport in August 1992, but no incident in the central part of the capital has approached the devastation of Monday's attack.

The bomb exploded at 3:20 P.M. in front of a bank office across the street from the central police station. People with faces and hands bloodied by flying glass ran frantically through the street, and am-bulances rushed to the scene to take the victims to hospitals.

Automatic gunfire was heard shortly after the explosion, possibly from nervous officers firing into the air. By evening, shops in the area were closed, sidewalks

The attack followed an exhortation by

More than 15,000 people, including nearly 80 foreigners, have been killed since January 1992. Nine people died in a bomb-followers to intensify attacks during the followers to intensify attacks during the Muslim holy month of Ramadan, which begins this week.

In a related development in Paris, the Foreign Ministry said that France and the United States have ironed out some of their policy differences over Algeria, agreeing on noninterference and the need to encourage political dialogue.

A French spokesman, Richard Duque, said that Foreign Minister Alain Juppe, who visited Washington on Friday and Saturday, noted in talks with Secretary of State Warren M. Christopher that "positions and analyses have very much nar-

(AP, Reuters, AFP)

# Thousands Uprooted By Europe's Floods

## 4 Nations Declare an Emergency; Dozens of Deaths Are Reported

By Stephen Kinzer New York Times Service

BERLIN - Scores of communities across northwestern Europe were under water Monday as floods triggered by days of driving rain continued to inundate the region. Tens of thousands of people fled their homes and dozens were reported to have drowned or been killed in floodrelated accidents.

Factories and schools were closed, roads were swamped and utility services disrupted. The governments of Germany, France, Belgium and the Netherlands declared states of emergency in flooded regions and dispatched thousands of police officers and soldiers to reinforce local relief work-

Environmentalists said the floods had been intensified by the melting of snow due to unseasonably warm temperatures and the decay of many forests where soil no longer absorbs as much water as it once

"This flood catastrophe may be in part a result of global climate changes that are brought about by increasing emission of pollutants," said Jochen Flasbarth, president of Germany's Nature Protection Alli-

Perhaps the most seriously affected city was Cologne, where the only traffic that moved through most neighborhoods was by boat. Much of the downtown area was under 2 meters (6 feet) of water, exceeding levels seen in the 1993 "flood of the century." Officials warned that the highest level ever, the 10.69 meters recorded in 1926, might be surpassed Tuesday.

Other communities along the Rhine, among them Bonn, Frankfurt, Koblenz and Trier, also were flooded. Many embassies in Bonn, including that of the United States, were closed Monday. In Bavaria, army boats were used to evacuate people in several wine-producing towns. Among the hardest-hit Bavarian communities were Klingenberg, Lohr, Miltenberg, Neustadt and Rotenfels.

Two people were reported to have drowned in Germany, one of them a three-

year-old boy.
Prime Minister Edouard Balladur of France held an emergency cabinet meeting Monday to consider measures to cope with the disaster.

"In many areas, we are talking about the flood of the century," his office said in a statement. "Nearly half the country has been affected." The death toll in France was put at 17, with an additional five

people missing.
Officials estimated property damage in the tens of millions of dollars. They said 40,000 homes had been destroyed and 800 roads were closed, including highways that run along the Scine in Paris.

In the Netherlands, officials ordered the largest evacuation of civilians since 1953, when dikes in Zeeland burst.

A government spokesman in the prov-ince of Limburg, which borders on Germa-ny and Belgium, said that 3,000 homes in the province were under water and an additional 6,000 were threatened.

In the eastern province of Gelderland, officials ordered the evacuation of 65,000 people from polders, low-lying areas protected by dikes.

"Polders are bathtubs, and they fill up immediately when dikes break," said Jan Terlouw, an official in Gelderland. "This is why we have had to begin the evacuation early. Once the dike breaks, it is too late."

Nearly all inland shipping in the Netherlands has been banned. Officials at a crisis center in Maastricht said some dikes along the Rhine, Waal and Ijssel rivers appeared to be weakening.

"There's been nothing like this since World War II," said Jan Meijer, a spokesman for the Dutch Interior Ministry.

The Dutch telephone company said its lines into the stricken areas were unable to handle the volume of calls made in the last few days and it appealed to citizens to call those areas only when absolutely neces-

Rising waters also threatened many parts of Belgium, and authorities there reported six flood-related deaths. One death was reported in Luxemburg. The Belgian cities of Ghent and Bruges were flooded, and all shipping in Bruges, which is laced with canals, was suspended.

In parts of Belgium and Germany, the police reported that flood control efforts were being hindered by "flood tourists" who climb onto sandbags to view inundated areas and even appland when water overflows a dam or a dike.

# **New Peace Plan for Croatia Seeks Trade-Off With Serbs**

By Roger Cohen
New York Times Service

PARIS - With war looming again in Croatia, diplomats are offering an Ameriareas of the nearly one-third of the country they occupy, in return for their recognition of Croatia's sovereignty and international

"The plan is the last chance to avoid another war here," a Western diplomat said. "It's going to be equally difficult for both sides to accept, but the alternative is a war in the spring."
[Serbian representatives refused Mon-

day to consider the plan until the status of United Nations peacekeepers is settled, Reuters reported from Kmin, Croatia.]

President Franjo Tudjman of Croatia announced this month that he would not renew the agreement allowing 12,000 UN troops to operate in Croatia when it expires on March 31.

Because the troops provide a buffer between Croatian forces and the Serbs who seized much of the country during the 1991

war in Croatia, their departure might very likely lead to more fighting and a wider

The plan, formally presented to the Crocan-backed peace plan that would provide atian government and the Serbs on Mon-substantial autonomy to Serbs in some day, offers virtually complete self-government to Serbs in the areas where they were a majority before the war. This autonomy would provide the Serbs with their own flag, education system, Parliament, executive authority, police force and currency, Western officials said.

In exchange, the Serbs would have to surrender direct authority to Croatia in areas they now hold but where they were not a majority before the war. Moreover, they would have to recognize Croatia's international borders and allow them to be policed along their entire length by the Croatian Army.

"This plan offers the Serbs everything they can possibly achieve in the real world," a Western official said. "They will never have their own state in Croatia and there will never be a Greater Serbia. But to

See SERBS, Page 6



CALL FOR CALM - Religious Jews blowing silver horas Monday at Jerusalem peace prayers. Meanwhile, Israel ceded land to Jordan. Page 2.

#### Simpson Team Chided

The judge in the murder trial of O.J. Simpson refused a prosecution request for a delay in the proceedings because of misbehavior by the defense, but he harshly criticized lawyers for Mr. Simp-son for hiding the identity of 14 possible witnesses mentioned in the defense opening statement in order to gain "unfair tactical advantage." (Page 3)

Dow Jon	nes	Trib Index
Down 25.91 3832.08		Up 1,57% %
The Dollar	Mon. close	previous close
DM-	1.5053	1.515
Pound	1.595	1,5895
Yen	98.435	99.375
FF	5,224	5.2595

#### Kiosk

## Kemp Won't Seek Presidency in '96

WASHINGTON (Reuters) — Former Housing Secretary Jack Kemp an-nounced Monday that he would not seek the Republican nomination for the presidency in 1996. In a statement released by his office,

Mr. Kemp, 59, said his core political beliefs, a mixture of fiscal conservatism and compassion for the needy, had been "on the margins of the political debate." But now, he said, "they are at the cen-

"They are reflected in the Republican leadership in Congress, and, to a greater or lesser degree, by most Republican candidates for president," he said. "So,

I've decided not to seek the Republican nomination for president." Mr. Kemp was a New York congress-man from 1971 to 1989 and housing secretary under President George Bush,

Book Review

Chess	Page 7.
International Classified	Page 6.

# Japanese Magazine Closes After Anti-Semitic Article

ional Ferald Tribune

A Japanese publisher announced Mon- subishi Motors and other companies anday that it was closing the glossy magazine
Marco Polo for publishing a 10-page article entitled The Greatest Taboo of Postmove copies still on newsstands and transwar History: There Were No Nazi Gas fer staff to other publications. Chambers."

part of a recent wave of anti-Semitic insuits that contrasted with the solemn ceremonies last week marking the 50th anni-ers," a spokesman said. versary of the Auschwitz death camp in Poland, where about 1.5 million Jews were killed, most of them in gas chambers.

The Bungei Shunju Co., one of Japan's most respected magazine companies, said ish airline LOT. it would immediately cease publication of

Newsstand Prices

Bahrain ... 0.800 Din Malta... Cyprus .....C. £ 1.00 Nigeria 110,00 Nalra Denmark14.00 D.Kr. Omon.....1.000 Rials Finland......11 F.M. Gatar......8.00 Rials Gibraltor.....£0.85 Rep. Ireland R£1.00 Great Britain £ 0.85 Saudi Arabia 9.00 R Egypt.....E.P. 5000 South Africa....R 10 Jordan .......... J D U.A.E. ..... 8.50 Dirh Kenya....K. SH. 150 U.S. Mil. (Eur.)\$ 1.10 Kuwait......500 Fils Zimbabwe. Zim.520.00

Marco Polo, a 200,000-circulation monthly news magazine, after Volkswagen, Mit-"We feel remorse that Marco Polo pub-

Jewish organizations said the article was lished an inaccurate article about the Nazi Jean Kahn, the president of the Europe-

an Jewish Congress, meanwhile protested the publication of an anti-Semitic advertisement in the flight magazine of the Pol-

It showed a caricature of a Jew holding a fistful of banknotes, praising the merits of a weighing machine. Mr. Kahn, who saw the advertisement on his way back from the Auschwitz ceremony, received an assurance from the airline that it would take care not to publish such advertisements in the future. But he received no apology for the offending image.

Mr. Kahn said the advertisement was doubly offensive because of the ancient canard that Jewish merchants gave short See INSULTS, Page 6

BELIING - Deng Xiaoping failed Monday to make his annual Lunar New Year television appearance for the first time since 1988, in a further sign that the health

of the 90-year-old leader may be in steep decline. Mr. Deng has not been seen in public since February last year, when he looked frail and vacant during his annual appearance at Lunar New Year's Eve celebrations in Shanghai, where he traditionally receives Chinese leaders and extends his greetings to the nation.

His failure to appear Monday on the eve of the start of the Year of the Pig heightened speculation here that

the "architect" of China's economic reforms may never be seen in public again.

Mr. Deng's New Year appearance has taken on great

At 90 and Frail, Deng Lets His Chinese New Year Greeting Slip By

significance since his retirement from all official posts in 1990. The annual footage is aimed at reassuring the public of the country's stability by showing that the patriarch is still alive and well. But the 1994 New Year pictures of Mr. Deng, who

had not appeared in public for 12 months previously, revealed a sharp deterioration in his health. He was unable to walk without the support of his two daughters and his hands shook visibly.

Recent reports say that he has advanced Parkinson's disease. In an effort to prepare the population for the break Monday with the New Year's Eve tradition, senior Chinese leaders were reported Saturday to have already paid their holiday calls on retired party elders, including Mr. Deng.

While denying persistent rumors about Mr. Deng's health, the official media have moved this year to prepare public opinion for his death. They have published a series of articles calling for unity around Mr. Deng's anointed successor, President Jiang Zemin, and for the population to prepare for "new circumstances."

# Near Shanghai, an American Becomes a Hero Farmer

By Steven Mulson

Washington Post Service SHANGHAI - After six years of haggling with local bureaucrats, a gangly American with a vegetable patch on the outskirts of Shanghai sat down and wrote a

"Dear Deng" letter.

"Dear Mr. Chairman," Jesse Long began his appeal to China's supreme leader, Deng Xiaoping, last Febru-ary. "It is difficult to differentiate between the old landlords of the past and these local snails, who move about their karaoke projects in sleek, expensive auto-

Mr. Long came to China in 1988 as a businessman and later turned to farming. To overcome the enemies of his quest to produce a better head of lettuce, and to protect his \$500,000 investment, he sought Mr. Deng's help. And to the surprise of Mr. Long, and the shock and dismay of some local officials, help arrived.

Whether Mr. Deng himself read the letter is not clear. Mr. Long also sent copies to China s economic policymaker, Zhu Rongji, and Shanghai's city hall. But within a few months, Mr. Long became the most ardently courted of China's 800 million farmers.

A team of reporters from the official Xinhua press agency interviewed him. Shanghai's deputy mayor visited his vegetable farm. A Shanghai newspaper headline beseeched, "Long, Don't Go." National television has produced a five-minute feature on his farm, and Shanghaj television also has chronicled his trials.

One newspaper marveled that this "blue-eyed, big-nose foreigner" grew "tomatoes even sweeter than wa-

termelon" and "carrots as graceful as the finger of a lovely lady."

"I don't know whether the old man read my letter,"

Mr. Long said, "but someone up there did." Now, development officials from Pudong, a one-time rural area that is rapidly being turned into Shanghai's industrial zone, have offered Mr. Long a bigger plot of land and assistance with his business. A local official who harassed him and tried to collect money for a poorly constructed farmhouse has gone to jail. "He could get the bullet," Mr. Long said,

The story of Jesse Long is a small parable in the tale of China's rapid economic development. In China's rush to modernize, an epic struggle is taking place

See FARMER, Page 6

# With No Fanfare, Israelis Turn Over Territory to Jordan

By Clyde Haberman

JERUSALEM -- The quiet- cooperation.

in the Arava Valley, between the Dead Sea and the Gulf of Aqaba, Jordanians hoisted their flags on long-contested land, then burst into songs praising King Hussein.

Risheh, a Jordanian outpost north of the gulf, was conspicuous for its decorum and low drama — neither characteristic of a region steeped in the blood of countless battles over even the smallest changes in land

The calm reflected the fact that not much of consequence will change along a border that had been quiet for decades despite the state of war that, until 1994, had prevailed for 46

Altogether, between Monday and the middle of next week, Israel is to hand over 130 square miles (340 square kilometers) of territory, mostly strips of desert in the Arava but also a piece of land just south of the Sea of Galilee. Depending on the loca-tion, the Israeli pullback ranges from a few dozens yards to five miles, much of it arid, unpopulated soil that few Israelis will miss and equally few Jordanians will notice they now have.

Important exceptions are two small areas totaling 700 acres (280 hectares), at Zofar in the Arava and Naharayim south of the Sea of Galilee, that Jordan agrees may continue to be tilled by Israeli farmers.

When the peace treaty was signed on Oct. 26, this arrangement was described as a "leaseback." But since then, King Hussein has been sharply attacked by other Arab states, especially Syria, for effectively giving up sovereign Arab land.

Now, the arrangement is de-scribed as "a special kind of

est border realignment in Isra- Apparently hoping to show el's turbulent history took place its many skeptical citizens that Monday when Israeli forces the peace treaty with Israel was withdrew from desert patches worthwhile, Jordan played up south of the Dead Sea and the ceremonies, bringing in platurned them over to Jordan un- toons of soldiers and journalder the two countries' recent ists. But Israel went the other way. Its flags were not to be In military ceremonies held from the area showed up.

Israel's methodical step forward with Jordan contrasts sharply with its relations on other Arab fronts.

Peace talks with Syria are stalled. Relations are strained The territorial transfer near with Egypt, the only other Arab isheh, a Jordanian outpost country to have signed a peace about 55 miles (90 kilometers) treaty with the Israelis. And negotiations with the Palestine Liberation Organization, while technically still on, are effectively frozen with no sign of



Jordanian soldiers celebrating Monday after a border ceremony marking Israel's pullout from a patch of desert land.

# Old Hatreds Sweep Across Desert to Timbuktu

By Howard W. French
New York Times Service

TIMBUKTU, Mali - There were only four guests, all staying for a single night, during a recent week at the Relais Azalai, this town's one modern hotel, forcing disconsolate tourist guides to trudge through streets of deep sand in a vain search for clients.

Souvenir merchants, wearing tur-bans against the fierce sun and fine grit borne in the breeze, maintained a determined lookout at the hotel's gate, hoping to unload some of their finely engraved sabers. The curator of the museum, with its 500-year-old manuscripts and other relics of a great but distant past, stays home these days, leaving it boarded shut.

Since the renewal of an age-old con-flict between the majority black population who settled this ancient desert outpost in the Middle Ages and the nomads who have always ruled the dunes just beyond, most of this town has given up its dreams of a tourism boom. In their place are the older routines of elaborate greetings and whispered snippets of news exchanged in spots of coveted shade over neverending doses of sugary tea served in

"We still come to work every day, but it is only to purge the time." said Fanta Touré, a manager at the hotel in this town of 21,000 or so residents. "Until next week's flight, this place will be completely empty, and until there is peace in the north there is nothing we can do about it." nothing we can do about it."

Timbuktu is mythic both in its former wealth and its present desolation, but its existence has always stood on a few simple facts. If this city of crumbling mud brick edifices and narrow, winding alleyways has come to be synonymous with remoteness, its location — on the edge of the Sahara at the northern bend of West Africa's greatest river, the Niger—has always made it a strategic meeting place of two worlds. They are the black south and a vast but mostly empty north that is home to nomadic, light-skinned Tuaregs and Moors.

Sweeping in from beyond the huge dunes that form the town's doorstep, Tuareg rebels have mounted hit-andrun attacks against Timbuktu and a score of other settlements on the desert's edge in recent months, sowing

fear among sedentary populations across the region.
In reprisal, international human

rights groups say, the mostly black armies of this country of 9 million and its eastern neighbor, Niger, have razed one Tuareg settlement after another, poisoned their wells, and forced thousands of nomads into exile.

Five hundred years ago, raids like these by the Tuaregs brought down such wealthy kingdoms as Mali and Songhai, whose fabled capitals of mosques and great universities were here. Today's hostilities are spreading ethnic hatred and economic destruction that threaten the stability of both Mali and Niger, two of the region's most vibrant but poorest democracies. Faithful to its reputation as a place

of mystery, seemingly placed Timbuktu surrenders few easy hints of the slow-motion conflict that has troubled nearly all of the outpost towns strung along the broad northern bend of the

Niger.
"The Tuaregs who are fighting have nothing to do with us," said a Tuareg merchant who would give his name only as Mohammed. "Here in town, there is no trouble between us and the

After a visit to his one-room house, however, where he and his tribesmen display their silver and bronze metalwork for sale, Mohammed said in a whisper: "We want peace, but the

blacks are trying to wipe us out."
For many blacks, and for Malian
officials, the view could scarcely be more different.

"That they could dislike this government, or wish for more resources, can be understood," said Lieutenant Colonel Abdoulave Fane, governor of Timbuktu. "But when they attack riverboats and vehicles that are carrying tourists, and even some of their own kinsmen, we cannot comprehend."

Colonel Fane then touched upon what is perhaps the deepest source of resentment among Mali's black majority: "What it seems these people really want is to return us to a state of slavery. That will never be accept-

For officials in the faraway capital, Bamako, the solution to Timbuktu's problems lies in economic develop-

In the meantime, the eternal conflicts between the cultures of the river and the sand seem likely to persist.

# WORLD BRIEFS

# UN Will Not Invite Waldheim to Fete

UNITED NATIONS, New York (Reuters) — The United Nations has decided not to invite Kurt Waldheim, the former secretary-general banned from entering the United States because of alleged involvement in Nazi war crimes, to its gala 50th anniversary celebrations, a spokesman said Monday.

The United Nations announced that no former secretaries—The United Nations announced that no former secretaries—general or former presidents of the General Assembly would be invited to the celebrations, after Austria had lobbied the United Nations not to invite any other former secretary-general if Management

Nations not to invite any other former secretary-general if Mr.

Waldheim was not included. As a result, Javier Pérez de Cuéllar of Peru, the predecessor of Secretary-General Butros Butros Ghali, will not be invited UN sources said Mr. Butros Ghali had spoken to the Peruvian diplomen, who expressed understanding for the United Nations problem:

## Burma Presses Offensive on Rebels

BANGKOK (AP) - Burmese forces were attacking the last major base Monday in the northern sector of the area controlled major base Monday in the northern sector of the area controlled by the once-potent Karen insurgency and were moving against guerfilla bases to the south. That military and aid sources said. Some of the leaders of the ethnic rebel movement, along with thousands of followers, have already fled to Thailand, and more thousands of followers, have already fled to Thailand, and more refugees are expected. Thailand has said that the refugees would be greated temporary academy.

be granted temporary asylum.
The headquarters of the Karen National Union, at Maserplaw, about 250 kilometers (150 miles) east of Rangoon, felt to government troops Thursday night after six days of fighting. Their Border Patrol officers said the Karen also had lost six other bases along the Thai-Burmese border in the areas north and south of Management.

### U.S. Tries to Mend New Zealand Ties

WELLINGTON (Renters) — The United States hopes New Zealand can again become an ally despite differences over Wellington's entrenched anti-nuclear policies, the U.S. deputy secretary of state, Strobe Talbott, said Monday.

Mr. Talbott, the most senior U.S. official to visit Wellington in a decade, began a 24-hour visit amid high New Zealand hopes of a White House invitation for Prime Minister Jim Bolger.

Relations between the two sides soured in the 1980s when a

White House invitation for Prime Minister Jim Bolger.

Relations between the two sides soured in the 1980s when a
Labor government under Prime Minister David Lange banned
nuclear-powered and nuclear-armed vessels from New Zealand's
territorial waters. Ties have warmed considerably in the past year,
but with no sign of any softening in the anti-nuclear stand, which
is backed across New Zealand's political spectrum and enjoys
overwhelming public support.

#### Joint Anti-Missile Project Weighed

PARIS (Reuters) - The United States, France and Germany have begun talks about possible joint production of an anti-missile missile, a French military source said Monday.

"Exchanges are now under way at a senior experts' level to see if we can produce together a system to defend, not countries but sensitive areas and military installations, against incoming missiles," the source said. "The main problem is cost because neither France or Germany, nor perhaps even the United States, can foot the bill for such a project class." the bill for such a project alone."

France's interest in anti-missile missiles developed during the Gulf War when U.S.-made Patriot missiles were used to intercept Iraqi Scud rockets. The joint French-German-U.S project would aim to develop a more advanced defense system, coordinated with spotter satellites. A French expert estimated it could cost 200 billion francs (\$37 billion).

#### Russians Expect Quake to Hit in East

MOSCOW (Reuters) - Russian experts said Monday flat MOSCOW (Reuters) — Russian experts said Monday that there was an 80 percent chance that the country's far eastern regions would be struck this year by an earthquake as strong at the one that devastated Kobe, Japan, the Itar-Tass press agency said. Itar-Tass quoted the minister for emergency situations, Sagar K. Shoigu, as saying the ministry's experts calculated that the quake would strike between February and November 1995. Be did not say where it might bit, but the press agency quoted the experts as saying the danger area was the far eastern Kamchatta. Peninsula and the disputed Kuril Islands off Japan, which were badly damaged by a make last October.

badly damaged by a quake last October.

Seismologists differ over the ability to predict movements in the earth's crust, pointing out that Japan's expensive warning system has not forecast a single earthquake.

#### Khmer Rouge Says It Paid Off Killers

PHNOM PENH (NYT) - The Khmer Rouge, eager to take responsibility for the murder of an American professor who wis gunned down this month in northwestern Cambodia, instead Monday that it rewarded the killers with water buffalo, outh and

In a radio broadcast monitored here, the Maoist-inspired rebels said that 10 Cambodians arrested last week for the murder of the tourist, Susan Ginsburg Hadden, a professor at the University of

Texas at Austin, were innocent.

The Khmer Rouge, which has targeted tourists in hopes of frightening away investment, said in the broadcast that the guerrillas who shot the American have already been awarded 10 yoke of oxen, 10 yoke of water buffalo and 100,000 baht, or about \$4,000. The Cambodian government rejects the Klimst Rouge claim of responsibility, saying the killers were thickes.

#### TRAVEL UPDATE

#### 2 London Restaurants Get 3 Stars

PARIS (Reuters) - France's Michelin Guide, the gournet's companion, gave two new British restaurants its top three-star rating on Monday.

Britain now boasts four restaurants with the supreme Michelin rating, compared with three in Germany, three in Belgium and one in Switzerland.

One of the British restaurants is called The Restaurant, Marco Pierre White; the other is Chez Nico at Ninety Park Lane, Both are in London. They join La Tante Claire, also in London, and the Waterside Inn, at Bray on Thames, in the top rank in the 1995 guide.

Three U.S. airlines, United, American and Frontier, are raising ticket prices by up to \$40 per round-trip for travelers whose flights originate or terminate at the new Denver International Amport, but not for passengers making connections there. The airport is expected to open in late February after a year of delays, mainly because of problems with the baggage handling system. -(AP)

# Westerners in Chechnya See Indiscriminate Force

By Margaret Shapiro Washington Post Service
MOSCOW — Russia has

used "disproportionate and in-discriminate" military force in Chechnya that goes well be-yond accepted Western standards for dealing with such se-Monday.

The use of the armed forces on such a scale and the methods they used go beyond our princi-ples." Istvan Gyarmati, who headed a fact-finding mission Mr. Gyarmati said earlier end conflicts in Europe.

Mr. Gyarmati said the situation in Chechnya, which Rus- mained intense Monday, acsian forces invaded Dec. 11 in cording to reports from the city. an effort to quell a three-year independence bid, was verging pounding the central area every on a "catastrophe," with huge 5 to 10 seconds. Outer suburbs swaths of the Chechen capital also were under heavy attack. of Grozny reduced to rubble.

He said the Russian combasements of bombed-out buildings without food, water

or electricity.
"It was like pictures I've seen member of the delegation. "We

saw an enormous amount of

devastation." Mr. Gyarmati said the delegation was unable to confirm during its three-day visit the accuracy of reports of torture and beatings of Chechen prisoners.

He said the delegation visited cessionist conflicts, the head of a detention center at Russia's a European delegation to the Mozdok military base, where war-ravaged region reported prisoners are housed in railroad cars outfitted with cells. He added that they saw some "traces" of beatings, but that,

of the Organization for Security that he hoped the OSCE or othand Cooperation in Europe, er organizations would be persaid at a news conference. The mitted to return to investigate OSCE is a multinational group more carefully individual allethat seeks to prevent or help gations of human rights viola-

tions. The battle around Grozny rewith mortar and artillery shells

The Russian authorities said the military was preparing for a mander in Grozny estimated final assault on the city, but the that more than 150,000 civilians Chechen side continued to exwere stuck in the city, living in press confidence that it would be able to hold on.

Russian officials have claimed that fewer than 700 soldiers have been killed in the of the bombing of Dresden," assault, a figure witnesses have said Audrey Glover, another said vastly understates the buassault, a figure witnesses have



#### Refugees Won't Leave UN Camps in Rwanda By Donatella Lorch allied with the former govern-

New York Times Service

CYANIKA, Rwanda - The United Nations has been trying to close camps for displaced people in southwestern Rwanda and to induce the people living there to return home by stopping food and water distribution, but most of them have been digging in their heels in-stead, officials say.

While some of the displaced Rwandans have gone home. many say they want to stay in the camps, where they have had UN security and supplies of food.

About 850,000 Rwandans fled in June and July to the safe zone created by the French military in the southwest. Most were members of the majority Hutu tribe, fleeing the advancing Tutsi rebel army, which won the civil war and formed a new government.

Many of the refugees stayed after the French left, and about 350,000 remain in camps in the Gikongoro area, UN officials

UN and Rwandan officials agree that it is just as important for the people in these camps to return home as it is for the Rwandan refugees in Zaire and Tanzania. Their return would A Chechen child waiting with other members of the family back to normality, but help at a railroad station in Nazran, Russia, to the west of check the increasing activity in Grozny. The refugees were to be housed in train cars there. the camps by militias that were

ment, which the officials say endangers the stability of the new government. The Rwandan government

wants to close down the camps by force, but the United Nations wants to use gentler methods to encourage the refugees to return home. "Operation Homeward" is considered the middle ground. This sprawling camp near the

town of Gikongoro once was a sea of huts covered with the UN's blue plastic tarpaulins. Now, huge jagged tracts of earth and tree stumps are visible. In the past month, since the government began the effort, about a quarter of the people in the camp have left, relief officials here say. But about 18,000 remain.

A three-week supply of food that had been distributed to families is gone, and a huge water tank set up by relief agencies in the middle of the camp was emptied last week.

"I would imagine that they'll finally get the message," said Paul Ledwidge of Trocaire, an Irish relief agency. "No food aid, no water. The planting season begins in February so if they want to plant, they should

Most relief agencies support the view that it would be better for the Rwandans to go home.

# Paris Appears Primed for Larger Role

On 'Renovated' NATO Military Team PARIS - France on Monday signaled that it was prepared to play a stronger role in the North Atlantic Treaty Organization.

Foreign Minister Alain Juppe proposed a "new trans-Atlantic charter" that would enshrine the joint will of Europe and North America to work to uphold world stability.

Paris, which withdrew from NATO's U.S.-dominated military command in 1966, has inched toward closer cooperation with the alliance in the past two years, with the Clinton administration endorsing a stronger European defense identity.

Mr. Juppe appeared to signal that a future conservative president. be it Prime Minister Edouard Balladur or the Paris

He said France already was playing a more dynamic role in the alliance in partnership with the United States.

"It must be clear that France wants a solid alliance, and that it will commit itself without reticence to its necessary renova-tion," he said. "Is not Franco-American understanding already the most visible dynamic factor in the alliance?"

France could no longer sepa-rate its action in favor of a European defense from a positive NATO policy, Mr. Juppe said.

He said that the enlargement of the European Union and its defense arm, the Western European Union, to take in former world st Communist Central European sions?"

mayor. Jacques Chirac, would states, would eventually lead to an expansion of NATO. an expansion of NATO.

"This is no longer the time for nit-picking reserve toward the alliance, nor for a closel presence that would be unworthy of our country," Mr. Juppe

"We need both a strong alliance and 'more Europe,' Juppé said. "One will not be possible without the other."

Referring to the Union's scheduled 1996 debate on institutional reforms, Mr. Juppe said: "Why not covisage, after the new momentum that France expects from the 1996 conference, a new trans-Atlantic charter that would enshrine the common will of Europe and North America to contribute to world stability in all its dimen-

### Former Prisoners Of Japan File Suit

Retuers
TOKYO — Former prisoners of Japanese World War II labor camps filed suit Monday in Tokyo District Court against the government for violating international laws banning mis-

treatment of wartime captives. "We want the Japanese to admit what they did, apologize in writing and give us a token amount to confirm the apolegy," Henk Zeeman, chairman of the New Zealand Action Committee Ex-Japanese War

Victims, said. Mr. Zeeman's group and four others representing some 21,000 former prisoners from Britain, the United States, Australia and New Zealand are suing Japan government for \$22,000 per person. The sum is based on the 1988 U.S. award to Japanese-Americans as compensation for their internment during the war.

# U.K. and Ireland Laud Adams's Efforts

By James F. Clarity

New York Times Service

DUBLIN — Official and quasi-official Irish and British efforts to strengthen the position of the Irish Republican Army's political leader, Gerry Adams,

appeared to accelerate Monday.

The Irish and British governments want Mr. Adams, the president of the IRA political wing, Sinn Fein, to persuade the illegal guerrilla organization to agree to disarm so that Sinn Fein may be allowed to take part in full-fledged peace

negotiations on Northern Ireland. Sinn Fein has said it has influence with the IRA, but has declined to say if and when it will recommend the surrender, or destruction, of some of its arsenal, estimated at 100 tons of weapons, including explosives. Officials and analysts have said that Mr. Adams may need more public concessions from Dublin and London before he can persuade the

military commanders to disarm. Officials in Dublin said Monday that the government was preparing the early

release of six IRA convicts imprisoned in Ireland. In addition, the former chief British official in Northern Ireland praised Mr. Adams for being "brave" in entering into a peace effort with Irish and British officials in an attempt to end the 25-year sectarian guerrilla war in Northern Ireland.

Peter Brooke, who was British Northern Ireland secretary from 1989 to 1992, and as such was an adversary of Mr. Adams's, said on a BBC program:

"In my view he was a brave man and I hope he will be justified. The step was a crucial one. I describe it myself as a Rubicon. He led them across that Rubicon. In my view that was a courageous step. He had a leadership role and he performed it. And I think the the whole of Ireland and and the whole of these islands, and I think arguably the whole world, is grateful to him for baving done

Mr. Brooke, in 1990, was the first British cabinet member to admit that Britain could not defeat the IRA in the

field and that negotiations had to begin. His successor, Sir Patrick Mayhew, was quoted two weeks ago as saying at that Britain should support Mr. Adams in his efforts to persuade the "hard men" of the IRA to disarm. Mr. Adams is credited with persuad-

ing the IRA to declare its cease-fire, about to enter its sixth month, and to begin exploratory talks with British offi-■ Police Lowering Guard

The police will scale down their 24hour presence at eight anti-terrorist checkpoints around London's financial center in what appears to be a response to the IRA cease-fire, Agence France-Presse reported. The checkpoints were set up after IRA bombings caused heavy

damage in the area in 1992 and 1993. Barriers will remain in place and officers will continue to staff the checkpoints, but on an irregular basis. Cameras set up to monitor traffic will also

#### Penned in Secretar International, London, Registered us a newspaper of the profullier

# THE AMERICAS / SERVICE ADVANCED

# Simpson Case Judge Chides Defense Move

## But He Refuses 30-Day Delay Over Hiding of Witness List

Simpson's defense attorneys had purposely hid the identity with "as harsh a finding as the of witnesses to gain an "unfair court can make under these cirtactical advantage" over prose-cutors, but he refused a prosecution request for a delay in the

Judge Lance A. Ito said in Superior Court he would in-struct jurors to disregard the saw four men speeding away ald L. Goldman were killed. from the area of the slavings.

Judge Ito also forbade Mr. Simpson's attorneys from calling any of those people as witnesses until the end of their case, and he said he would consider barring the defense from using some of the witnesses at all if the prosecution did not have time to investigate them

properly.

The 30-day delay in the trial requested by the prosecution was not needed, the judge said, because the district attorney's office is big enough to cope with the late-submitted witnesses and with the illness of a top member of the prosecution team. Deputy District Attorney William Hodgman.

Later, a defense attorney, Johnnie L. Cochran Jr., was allowed to resume his opening statement. He said evidence was "contaminated, compro-

mised and corrupted." Mr. Cochran used a chart to describe what he believed happened to the evidence taken by the police from the crime scene and from Mr. Simpson's estate and his Ford Bronco.

"The gathering of evidence was a complete disaster," Mr. Cochran said.

That means, Mr. Cochran said, that sophisticated DNA tests on tiny samples of blood "will not be reliable." He said he intended to use Los Angeles Police Department studies to prove that the agency's laboratory is a "cesspool of contami-

From Politics

More than a quarter of

American children under

the age of 6 are living in

poverty - a record 6 mil-

lion — and nearly three in five of them have working

parents, according to a

study issued by the private

National Center of Chil-

The U.S. Navy gave up searching for a fighter pilot whose plane plunged into the Pacific Ocean while

practicing maneuvers from

Meteorologists forecast

perfect weather for this

week's planned launching of

the space shuttle Discovery

on a Russian rendezvous mission. The U.S. space

agency has just five min-utes each day to launch Discovery to make the en-

counter with Russia's space

station. Discovery and its

crew of six will come within

10 meters of the orbiting Mir station as practice for the first shuttle-station

• U.S. soldiers armed with

stun guns and pepper spray will begin evacuating more

than 7,500 Cuban refugees from Panama to the U.S.

base at Guantánamo Bay in

Cuba on Wednesday in a

three-week operation in-

volving 1,200 U.S. personnel, officials said. (AP)

• A gray wolf that anthorities said had apparently been feeding on a newborn

calf was found shot and

killed in Salmon, Idaho, in a setback for a government

plan to restore wolves to the Rocky Mountain states.

The wolf was one of 15 cap-

tured in Canada in released

• A judge has ordered ABC to reveal the identity of a

confidential news source dubbed "Deep Cough," as part of a \$10 billion libel

lawsmit filed by the tobacco giant Philip Morris Cos.

The source was featured in

a TV documentary last year

that alleged Philip Morris and other tobacco compa-

nies spiked cigarettes with

extra nicotine to addict

docking in June.

(AP)

dren in Poverty.

ham Lincoln.

Away

LOS ANGELES — The judge in the O.J. Simpson murder trial ruled Monday that Mr. Simpson's defense attorneys that he had ruled in her favor that he had ruled in her favor to the first at the had ruled in her favor to the first at the had ruled in her favor to the first at the had ruled in her favor to the first at the had ruled in her favor to the first at the had ruled in her favor to the first at the had ruled in her favor to the first at the had ruled in her favor to the first at the had ruled in her favor to the first at the had ruled in her favor to the first at the head ruled in her cumstances."

He criticized defense attorneys for violating a "reciprocal discovery" law by holding back the identity of the 14 witnesses.

He particularly cited Mary Anne Gerchas, a woman who mention of 14 witnesses in the claimed to have seen the four defense opening statement, in- men leaving the area where Nicluding a woman who said she cole Brown Simpson and Ron-

The prosecution has characterized the surprise defense witnesses as "heroin addicts, thieves, felons" and as a "courtcertified pathological liar."
The judge drafted a strong

admonition to jurors, telling them the defense had violated the law and had caused a twoday delay in the trial.

According to text released by the court, Judge Ito planned to tell jurors. "Keeping in mind that statements by the lawyers are not evidence, you are direct-ed to disregard the comments of defense counsel during this opening statement as they per-tain to the following potential witnesses," listing Ms. Gerchas and others.

The judge ordered the de-fense to disclose statements and reports of all expert witnesses, and he expressed skepticism about the defense's contention that some experts had not provided written reports.

"It seems implausible that such experts' statements or reports are not presently in existence, given the complexity of this case, the preeminence of the experts involved, the number of attorneys involved and presentation of expert witness-

es," Judge Ito said. Mr. Simpson, 47, has pleaded not guilty to charges he murdered Mrs. Simpson, his former wife, and Mr. Goldman, her friend, outside Mrs. Simpson's Brentwood condominium.



Deputy District Attorney Marcia Clark speaking Monday with another prosecutor, Christopher Darden.

# Clinton Seeks Path on Minimum Wage

By Douglas Jehl and Louis Uchitelle

New York Times Sernce WASHINGTON - After a month of trial balloons and uncertainty within the administration over how best to push for a higher minimum wage, this much is clear: The White House is still grappling with the ques-tion of how best to act in a new political world dominated by a

Republican Congress. Just last week, President Bill Clinton promised that he would fight for an increase in the minimum wage, only to have his aides disclose 24 hours afterward that he had no immediate of staff, and other political adplans to submit legislation call-

ing for that step. Since November, there has been almost total agreement the court's experience with the a need to increase the minimum ton in the last two years of his wage. The White House is conhelp the plight of struggling workers while resulting in few

to seek an increase in the mini- ana Democrat and chief deputy mum -the preference being 75 whip. "He did not do enough of cents, to \$5 an hour — over two that on health care. This is an years. By early this month, ad-indication that he has certainly vocates of the plan were saying learned. Mr. Clinton would unveil the proposal no later than his State making and commitment to

of the Union message.

But those disclosures clashed with the strategy of Leon E.

consensus-building resulted in muddiness when the White House said Wednesday that the

What the president is doing - correctly in my opinion — is consulting with us on what is doable in this Congress.'

visers. Wary of setting public targets that the Republicans could shoot down, they embraced an unorthodox view that within the administration about the wisest course for Mr. Clinterm would be to test congresvinced that such a move would sional waters before adopting a rigid public line.

What the president is doing - correctly in my opinion - is With Labor Secretary Robert consulting with us on what is
B. Reich playing a leading role, the president's advisers agreed Senator John B. Breaux, Louisihad underscored the notion

president was not yet ready to spell out what terms he favored, despite his call for action in his address the previous night.

Yet the mixture of policy-

That apparent edging away from a plan, many of whose details already were widely known, generated so much adverse publicity that Mr. Clinton and his aides had to spend considerable time arguing that the president truly intended to

the Mediterranean and India.

Treatment Found Effective

Against Sickle Cell Anemia

The Associated Press

effective treatment for sickle cell anemia Monday, a drug that could help adults with the inherited disabling disease fight off

The National Institutes of Health ended the critical trial of

the drug hydroxyurea four months early because it proved

extremely effective in reducing painful episodes, patients hospitalizations and the need for blood transfusions.

"Patients must understand hydroxyurea is a treatment, not a cure," said Dr. Samuel Charache of Johns Hopkins Univer-sity, who led the study. The disease is most common among

people whose ancestors came from Africa, the Middle East,

SWITZERLAND

BETHESDA, Maryland - Doctors announced the first

that too much consultation can also give the impression that Mr. Clinton was irresolute.

Still, White House aides pointed to the consult-first strategy as the model that Mr. Clinton intended to embrace. On issues ranging from immigration and welfare to Mexican loan guarantees, they say, it is the best way for him to try to maintain some sway over a Congress whose new Republi-can majority could quickly strike down everything he pro-

poses.
"We're in an environment now where our efforts will have to be aimed less at legislation

and more at a legislative strategy," said Michael D. McCurry, the White House spokesman. If he is careful about picking his fights, aides to Mr. Clinton say the president believes that say, the president believes that he can achieve more in the next two years than commentators have predicted. And on issues like the minimum wage, the aides say, he regards even a victory in which he must share credit with Republicans as far preferable to a defeat.

#### New Hampshire and Arizona Call a Truce

PHOENIX, Arizona — "I'm tired of Arizona being ignored by the rest of the country!" declared Governor File Symington, setting off one of the noisiest skirmishes in years between the states. "The West is rising!"

In past years this state has been little more than a whistle stop for national political candidates on their way to California. So, in a brazen bid for influence, it passed a law in 1992 moving up its presidential primary to the same day in February as New Hampshire, which for about the last 70 years has gained stature beyond its size by having a lock on the nation's first primary.

In New Hampshire, where the threats from Arizona have

made headlines on the front pages day after day. Governor Stephen Merrill responded by vowing to do buttle with his fellow Republican Mr. Symington. He accused Arizona of engaging in "a clear attack on the people of New Hampshire. and the tradition of the political primary system in this

A few days ago, the warring parties struck a compromise. Governor Symington agreed to schedule the Arizona primary a week after New Hampshire's. "We will not be the aggressor," he said. But other states are itching to challenge New Hampshire's preeminence. "Now I can concentrate on getting Delaware officials to back off," said Steve Duprey. chairman of the Republican Party in New Hampshire.

Trying another increasingly popular scheme for attention, the Arizona Republican Party held its first presidential straw poll here Saturday, even though such nonbinding tallies have never been reliable indicators of who will be the next nomi-

"It's better to finish first than last," said Haley Barbour, the Republican national chairman, "but it doesn't have anything to do with the nomination."

Such dismissive remarks did not prevent Senator Phil Gramm of Texas from trumpeting his 54 percent victory. saving it would "lay the foundations to carry Arizona in February of next year."

#### Wallflower's Popularity Blooms at Capitol

WASHINGTON - Capitol Hill can't seem to get enough of Warren M. Christopher these days.

Just last week, the secretary of state testified four times: once on North Korea, twice on the troubled Mexican peso and once on the state of the world. This week, it's on to talks on START-2, the treaty that would sharply reduce assenals of nuclear missiles by both the United States and Russia, to be followed by five separate hearings on next year's budget. To lay the groundwork, Mr. Christopher has met privately with every member of the Republican leadership at least once since last November's election.

Summoning senior administration officials to Capitol Hill is a well-entrenched ritual that coincides with the opening of any new session of Congress. But with the new Republican majority determined to put its stamp on policy carly, the secretary of state has become a hostage of the hearing room.

Last year, lawmakers tended to dismiss the secretary of state as lackluster and visionless, and some - including a couple of Democrats - called for his resignation. Now, the Democrats are joining hands and muting their criticism, the Republicans are trying to look statesmanlike and Mr. Christopher is getting the chance to talk endlessly to the Congress, and to the American people by way of C-Span cable network. about the administration's foreign policy principles, its areas of opportunities and what he views as its foreign policy

Lawmakers are so eager for his time that when Representative Tom Lantos, the California Democrat, learned that Mr. Christopher would testify for only two hours before the House Committee on International Relations, he complained loudly to the Republican chairman, Ben Gilman, of New

"Mr. Chairman, I would like to speak — I trust on behalf of all members of this committee, Republicans and Democrats - requesting that we don't work under this absurd and arbitrary deadline of having the secretary leave by 11," Mr. Lantos said, "He has a luncheon date with the French foreign minister. It is more important for him to talk to members of this committee. And if the French foreign minister will have to use some of his time to call his new friends in Baghdad, that will be a very productive use of his time."

The outburst was as much a swipe at Alain Juppé, the foreign minister, for his recent overtures toward Baghdad as it was at Mr. Christopher's time constraints, But Mr. Lantos had made his point, and Mr. Christopher stayed for an extra

#### **Quote/Unquote**

President Bill Clinton, congratulating the San Francisco 49ers on their victory in Super Bowl XXIX; "I think the best thing I can say about the 49ers is that I haven't met a single fan anywhere in America that resents all the success that you've had, and that's a rare thing."

# U.S. Drops Demand for Limits On a Comprehensive Test Ban

By Douglas Jehl New York Times Service

WASHINGTON - In a sharp change of course, President Bill Clinton has ordered American negotiators in Geneva to abandon a stance in which the United States has insisted that a proposed comprehensive ban on nuclear-weapons testing be fully binding for only 10

the aircraft carrier Abra-Until Monday, the Pentagon (AP)had maintained that the United Texas officials are pre-States should retain a right to paring to execute two conwithdraw from the accord so that it could conduct any furvicted killers in a single day, the state's first double exether tests necessary to ensure cution in more than 45 that its arsenal remained safe.

But that proposal has proven so controversial that it threatened to jeopardize the administration's broader quest for the indefinite extension of the Nuclear Nonproliferation Treaty, which bans the spread of nuclear weapons.

The policy reversal was announced Monday by W. Anthoright now and in the future to ny Lake, the national security adviser, after a series of high-

level weekend meetings in which it was recommended to Mr. Clinton and he gave it his endorsement, administration

As another gesture to those uneasy about U.S. ambitions, Mr. Lake also announced that the United States would extend its own moratorium on nuclear testing until at least September 1996, the date by which the treaty imposing a comprehensive ban on such tests is expect-

ed to be signed.

Coming 18 months after Mr.

Clinton first announced his administration's commitment to a comprehensive test ban, the further steps taken Monday underscored the degree to which

continue limited nuclear test-

But administration officials said the timing of the moves reflected apprehension about the prospects for extension of the nonproliferation treaty, which expires this year.

While the United States. Russia and the West European powers want to see the accord extended indefinitely, that proposal has met with resistance from some nonnuclear countries, who have urged that it be renewed only for one or more fixed periods, after which it would lapse.

Led by Mexico, Indonesia and Nigeria, those countries had pointed to the U.S. insistence on a right of withdrawal he has moved away from the from a comprehensive test ban course set by his Republican as evidence of hypocrisy on the predecessors, who had insisted part of the nuclear powers.

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#### Trial of Muslim Cleric Opens in N.Y. The group is accused of help-The prosecution contends

Muslim cleric and his followers planned widespread destruction and slaughter in the United States, "the likes of which the world has never seen."

But a defense lawyer argued that her client was on trial not because he committed any violent acts but because of his sermons and religious instruction.

The prosecutor, Robert Khuzami, made his accusations in opening statements in the case against an Egyptian, Sheikh Omar Abdel Rahman, and 11 others accused by the United States of planning to wage "a war of urban terrorism" in the United States.

#### For investment information

Read the MONEY REPORT every Saturday in the IHT

NEW YORK — A federal ing to plan the 1993 bombing of prosecutor said Monday that a the World Trade Center, which killed six people and wounded more than a thousand. The defendants are also charged with plotting to bomb the United Nations headquarters and bridges and tunnels into New

> In addition, the indictment accuses them of involvement in the November 1990 murder of Rabbi Meir Kahane in New York and with planning to kill President Hosni Mubarak of Egypt during his visit to the United States in 1993.

that the cleric is the group's spiritual leader who encouraged the defendants to commit acts But Lynne Stewart, one of Sheikh Abdel Rahman's law-

yers, said the cleric was not the evil godfather portrayed by the government, but the "shepherd of a large flock he protects and guides.' The trial is the second chap-

ter in the government's prosecution of those it believes are responsible for the Trade Center bombing.

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<u>Eüröpean</u>

Franffurter Allgemeine



published with the New York times and the Washington Post

## Rose Didn't Act Alone

Sir Michael Rose, whose one-year tenure as United Nations commander in Bosnia ended last week, had a thankless assignment. He was supposed to protect civilians in Bosnia's besieged cities, but had neither the mandate nor the means to repulse their Serbian besiegers. In theory, the United Nations is neutral between aggressors and victims in Bosnia's dirty war. But even allowing for the toughness of the job, Lieutenant General Rose damaged the United Nations credibility. His efforts to avoid confrontation and protect his troops went beyond the narrow dictates of neutrality.

He began well enough last January, cooperating with NATO efforts to get the Serbs to pull back artillery from the hills surrounding Sarajevo. But when the Serbs shifted their attention to Gorazde, General Rose impeded effective NATO air strikes. Later, he seemed to encourage Serbian military operations around Sarajevo's airport. Most recently, at Bihac, he seemed to ignore the Security Council's instructions to protect civilians.

By tilting toward the aggressor and failing to protect Muslim civilians, the United Nations has damaged its reputation with Muslims and Americans.

General Rose, who built a reputation for aggressiveness in the Falklands and

Northern Ireland and battling terrorists in London, did not turn passive in Bosnia on his own. The United Nations never provided him with the troops he needed to face down the Serbs. Nor did his masters in the Security Council ever

really want him to get tough.

As a British general in UN employ, he faithfully followed London's indulgent policies toward the Serbs — policies that no permanent member of the Security Council, including the United States, contested. France, like Britain, has troops at risk. The United States is rightly determined not to send troops of its own. Russia openly sympathizes with the Serbian cause. China opposes aggressive UN

peacekeeping on principle.
So it would be naive to expect a very different performance from General Rose's British successor, Lieutenant General Rupert Smith. Similarly, it would be naive to expect better guidance from the United Nations. The Clinton administration, although it has sometimes criticized General Rose, is not interested in reshaping the present

Security Council consensus.

It is fair to find fault with General Rose. But it would be unfair to forget that he did not act alone.

- THE NEW YORK TIMES.

## A Future for Universities?

So far the tone has been mostly upbeat when American educators talk about the implications of the new information technology. Not so at a recent conference at the University of Pennsylvania, when about 80 university scholars and adminis-trators debated whether the so-called information superhighway might radically change the shape of colleges and universities or actually cause them to dissolve. The notion sounds farfetched, especially given the benefits that others have ascribed to cyberspace linkups and schoolto-school networks. Yet it is possible to see how these linkups might at some point begin to soften or scramble time-honored distinctions such as who is enrolled in a graduate program and who is not.

Even in its brand new state, the Internet has drawn the disproportionate enthusiasm of academics, many of whom expect it to combat isolation, increase productivity and in some cases partly replace scholarly journals. For students at remote campuses, it is expected to become essential for access to libraries and more exotic sources of data. Academics, for that matter, have been slightly ahead of other groups all along in getting comfortable with computers gencrally, and campus administrators started early in offering generous resources to teach net-readiness. Some offered their faculty or even the whole student population a chance to use services that would otherwise be expensive, such as data bases with fancy search capabilities, in

someness of many specialties' reliance on scholarly journals and the geographic isolation of specialists themselves at farflung campuses, the degree to which the humanities are making use of the new medium is not that surprising. But that does leave the fairly serious question of whether, if everybody is eventually online, you really need to be on a campus to pursue scholarly inquiry or even to take courses. (New York University has just launched its first all-on-line doctoral program, although it is small-scale and its

subject is information technology.)

What exactly do campuses and enrollment offer? At the Penn conference, which took place under the auspices of something called the Virtual Lab Project, people arguing that universities would not be radically changed or replaced by cyber-scholarship were apparently the radicals. News accounts quoted Penn's provost, Stanley Chodorow, as stressing the social nature of intellectual work and suggesting that no scholars or decent scholarship would thrive in a "smileless" world where independent scholars, independent students and independent teachers simply parked in front of their computer screens. It sounds true - and presumably there is more to what is offered on campus than merely smiles. But with the walls suddenly permeable, it may turn out to be a bracing exercise for university faculties to figure out exactly what that something is.

- THE WASHINGTON POST

# **A Coarsened Congress**

Whatever else it has done, the new Republican congressional leadership has coarsened American political discourse to a remarkable degree in a very short time. The most recent example is Dick Armey's reference to Representative Barney Frank as "Barney Fag." Mr. Armey is the House majority leader, and we would have to go back to the days of Earl Butz to find a parallel example of such common behavior by a high federal official.

His explanation that this was a "stumbled word" instead of "an intentional personal attack" is not supported in any way by the tape recording of his interview. He spoke with clear intent to de-

fame a worthy opponent.
In place of true contrition, Mr. Armey used a ranting speech on the House floor to denounce reporters for refusing to suppress his disgraceful on-the-record remarks made to interviewers assembled by his staff with the express purpose of taping his words for broadcast.

Even those who argue that Newt Gingrich's mother was sandbagged into criticizing the first lady cannot defend Mr. Armey. Here was a professional politician speaking in a formal setting with bigotry aforethought.

Mr. Armey has now won a permanent place in the annals of congressional disrepute. He is only one man, and some Republicans will warn against making too much of this incident. But the greater danger for serious citizens is to ignore the

pattern of accumulating incidents. Senator Jesse Helms's quip about physical harm to President Bill Clinton was a single incident. So was Representative Robert Dornan's absurd declaration that Mr. Clinton is a traitor. It was, indeed, but a single speech in which the

speaker advanced the crackpot charge that "there is no grotesquerie, no distortion, no dishonesty too great" for his opponents to use against him.
Such individual showers of hyperbole

have produced a venomous mist that now envelops Capitol Hill. The excuse that the Republicans are not used to being taken seriously is wearing thin. It has been three months since the election. It is time for Mr. Gingrich to show that his civic instincts are as powerful as his intellect. Both he and the Senate majority leader, Bob Dole, owe it to the nation to examine carefully the question of whether the mantle of leadership has fallen on some shoulders that are too slight to carry it. The more threatening possibility is that Congress itself has fallen under the sway of people who believe in a politics of destruction

fueled by the language of hatred. Ultimately, Dick Armey is answerable only to the voters of the 26th District of Texas. But his party has imposed him on the nation in a position of high responsibility and great honor. It is everyone's concern that the majority leader of the House of Representatives, by his own account, finds it hard to control his tongue when opponents like Mr.

Frank criticize him. It is everyone's concern that Mr. Armey resorted without provocation to bigoted name-calling and then misrepresented his words in an intemperate speech in the well of the House. Can the speaker tolerate such behavior in a person his party has elevated to prominence? If so, then Mr. Gingrich owes the country an argument that justifies keeping Mr. Armey in his position. We are eager to hear it.

- THE NEW YORK TIMES.



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# INTERNATIONAL Tribune Differing on Chechnya: Russians in Dialogue

By Charles Gati

MOSCOW — Russia's foreign minister, Andrei Kozyrev, an old family friend from times past when he was an aspining Soviet official and I was an aspiring American academic, invited me for dinner at his home 10 days ago. Greeting me were his wife, Irina, their daughter, Natasha, and his mother. Andrei called soon to say he was coming home with a surprise guest to wrap up a conversation they had begun in his office three hours earlier.

So Mrs. Kozyrev changed the number of place settings from five to six. The surprise guest turned out to be Sergei Adamovich Kova-lev, Russia's widely respected commissioner for human rights.

Once a prisoner in Soviet labor camps and now Russia's leading opponent of the war in Chechnya, he has been called an "enemy of Russia" by Defense Minister Pavel Grachev. On Friday, General Grachev denied him a seat on a government plane with a Europe-an delegation to the war zone.

What follows is my record of the conversation around the Kozyrev dinner table.

Gati: Are you two friends? Kozyrev: I am honored by your

Gati: Sergei Adamovich, you are the most prominent critic here of the war in Chechnya Andrei, increasingly isolated from the country's democratic forces, is the war's most prominent supporter abroad. I am surprised you are even on speaking terms. Kovalev: This is still an East-

ern country, where everyone is very dogmatic about his opinion. Freedom of speech has not produced tolerance for, let alone the celebration of, diversity. As for myself, I can only paraphrase Voltaire: while I may hate someone's views. I don't hate him -and I am prepared to die for his right to speak out.

Gati: What about you, Andrei?

Kozyrev: As Sergei Adamovich says, we are friends who do tolerate each other's views. Gati: Many of the people I have encountered in Moscow consider this war morally repugnant and politically damaging to the country's democratic evolution. I take you disagree. Kozyrev: What defines my out-

look is that under President Yelt-sin there is freedom of speech in Russia today, and that I don't see an alternative to him.

Moreover, while you are right that "many" oppose the war, "many" is not "all." For example, the 500,000 people in Murmansk I represent in our legislature, people with whom I stay in close contact, are neither united nor single-minded in their opposition. Many of them believe in the necessity of using force for the preservation of the Russian Federation.

They are also indignant about the criminal character of [the Chechen leader Dzhokar] Dudayev's regime. Of course, they hold different views about how force is or should be used.

Gati: Sergei Adamovich, what do you make of Andrei's comment about Yeltsin? Isn't he the best Russia can have? Couldn't your activities undermine his authority?

Kovaley: Please excuse me, but especially your last question reminds me of those I used to hear from my KGB interrogators. They would say: "Kovaley, you want democracy in the Soviet Union but you're undermining Soviet power. If it weren't for troublemakers like you taking up our time and energy, we could all be living in a freer country."

I replied: "I'm not in the business of undermining anyone's power. I'm just telling the nuth." Gati: Yes, but your position in Russian society is different now. You are not only the nation's moral conscience but a public figure as well.

Kovalev: I would like to hope that the two roles coincide. I think



there is no better policy than telling the truth. As I used to tell my KGB investigators: "You can't live in a country whose political leaders are liars. You can't live in a country which is ruled, to put it mildly, by unscrupulous people."

But let me put a question to you. If the president of the Unit-ed States and members of his cabinet were caught red-handed as liars, shouldn't the American people find out? Wouldn't you want them to know who their leaders are?

Gati: I would, but I regard myself as an analyst rather than an advocate. Practical politics is a profession with its own rules and

its own logic.

Kovalev: I understand what "dirty politics" is, and I hope it is becoming an anachronism. I sup-port [Czech President] Vaclav Havel's call for "clean politics."

Gati: Forgive me, but I was noting the logic of professional politics, not dirty politics. Kovaley: Then I say professional politics is an anachronism. Gani: Andrei, you've been quiet. Kozyrev: Truth and reality have

different dimensions, different aspects. When it comes to human rights, Sergei Adamovich is cor-

rect, and his impact on our country can't be underestimated.

Yet there is also such a thing as the truth of pragmatic politics. Suppose, for example, you want to disarm or destroy a large criminal gang in a city. In the process, innocent civilians will get hurt, even killed. It's inevita-ble, it can't be helped. Secondly, I believe that his-

torical circumstances should inform one's political activities. The point of departure is that while the Soviet system was in-herently criminal, today's Russia has a freely elected president.

He acts within the framework of a legitimate constitution. The chairmen of the two chambers of our freely elected legislature participate in all of the decisions [concerning Chechnya]. Therefore, what we are doing may be controversial but it is rooted in legitimate authority.

Finally, having wasted 70 years under Communist rule, Russia must speed up the reform of the state, the armed forces, the security apparatus. This can be, and will be, achieved by Yeltsin.

The alternative to him as our last legislative elections showed, is not Kovalev but [the ultrana-

tionalist Vladimir Zhirinovsky. And just one more point if I may: I am ready to die if necessary to give Sergei Adamovich the opportunity to call me an anachronism and defender of a

regime of liars. Gati: How will this war end? What will it do to Boris Yeltsin; and to Russia?

Kovaley: This war will never end, which is to say it will end the way the war ended in Afghanistan. The possibility for negotiations continues to exist, but the Russian! leadership has shown itself to be feeble, incompetent and stopid.

In the circumstances, the war' will soon enter the phase of a guerrilla war and of terrorism, proving that "pragmatic politics" does not produce realizable objectives. Paradoxically, the leadership will only succeed in bailding up Dudayev as the national hero of his people. As for Yeltsin, he won't survive this was [politically] unless he initiates direct and serious negotiations with Dudayev's representatives. Russia.

of course, will survive. Kozyrev: There should be a political settlement, of course, including elections in Chechnya on the basis of the Russian constitution. If Yeltsin doesn't survive, Zhirinovsky wins. So our objective now is to do everything we can to prevent this dreatful alternative from becoming our political reality.

The same applies to the survival of Russia. If its unity is preserved, there is a chance for the processes of democracy and market-oriented economic reforms to continue. If not, ultranationalists and KGB investigators will seem the moment and take revenge in the dismemberment of the Soviet Union and of the Russian Federation itself.

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Would a Yugoslav-type scenario in the space of the former Sovi-II not of the forms Soviet bloc - assure human rights and liberties?

It was well past midnight when this very Russian conversation ended. Outside, I wondered who spoke for Russia. Was it Sergei Kovalev, this good man of faith, integrity and principle? Was it Andrei Kozyrev, the politician trying to steer a course between what he may believe is desirable and what he deems politically feasible?

Or was it - forbid the thought - Defense Minister Grachev. who has reverted to the habit of calling a critic the "enemy of Russia"? No one I met in Moscow ventured a reply.

management firm, and a fellow at Johns Hopkins University's Foreign Policy Institute. He contributed this comment to The New York Times.

# Remember What the Social Engineers Wrought

I OS ANGELES — In the coming months, dignitaries will gather at ceremonies around the globe to mark the 50th anniversary of the end of World War II and the defeat of Nazi Germany. The world will hear eloquent words from the Nobel Prize laureate Elie Wiesel and the Nazi-hunter Simon Wiesenthal as they lead fellow survivors on a final trek to the sites of death camps - silent monuments to mankind's capacity for evil and apathy.

But against the backdrop of today's stark headlines, one wonders if all the wreathlayings and memorial prayers can penetrate the haze of society's historic amnesia and crass, uncaring ways.

Consider two recent articles in Lament. newsletter of the Los Angeles chapter of Mensa, the exclusive club for people with IQs in the top 2 percent. Speaking to the plight of the homeless, the physically infirm and the mentally handicapped, Jason G. Brent, an attorney, wrote: "Society must face the concept that we kill off the old, week the special the inefficient." weak, the stupid, the inefficient."

Another Mensa member, Jon K. Evans, proposed that the majority of the homeless "should be humanely done away with, like abandoned kittens." And he wrote this about the mentally incapacitated and physically disabled: "A piece of meat in the shape of a man but without a mind is not a human being, whether the body be deathly ill, damaged by accident, mentally blank because of brain deficiency, or criminally insane." Mr. Brent, has defended his article, say-

ing he was merely writing about a difficult reality — the need for population control — By Abraham Cooper

fascist," he told the Los Angeles Times. "I just have a problem that we better face." Perhaps. But the vital point here is that any attempt at social engineering - any assertion of a right to say which group is fit to live and which is not - can carry the seeds of moral and social calamity.

The road to Auschwitz was designed, engineered and paved by Germany's elite. The keepers of the flame of German civilization — the judges, lawyers and doctors — were the very people who rushed to validate and concretize Hitler's rantings.
Witness the jurists who, in 1935, unani-

mously swore to uphold the Nuremberg racist laws that stripped Jewish citizens of their rights and humanity. Overnight a system designed to punish the guilty was turned to implement a new legal codex that would dispatch thousands of innocents into the netherworld of Dachau.

And Germany's world-renowned medical practitioners cast aside the Hippocratic oath and received god-like powers to maim, torture and murder in the name of Science and Progress.

Small wonder that by 1937, German doctors had been inducted into the SS at a rate 14 times above the general population; that by 1939, 50 percent of all German physicians were active members of the Nazi Party.

German physicians did more than victimize Jewish immates in horrific medical experiments in the infamous concentration camps. By the end of the Third Reich they had that has been largely ignored. "I'm not a sterilized 460,000 people deemed "unfit."

"disturbed" or "asocial" (that is, Gypsies, homosexuals and political opponents); had done away with 250,000 chronically ill individuals by starving, gassing or poisoning them; had gassed 10,000 babies and children who suffered from a variety of disorders. In the annals of the Nazi Reich there is no

more chilling reminder of what happens when a society casts off any pretense of morality than the Wannsee Conference, On Jan. 20, 1942, in a villa in a Berlin suburb, 14 German ministers of state, eight of them Ph.D.s. gathered to sign the death warrant of Europe's Jews. Over drinks, they formulated the most cost-effective ways to murder millions of innocents. The "success" of their collective genius was to bestow a new scourge on the rest of the century, one that still stalks humanity: the crime of genocide. But the road to Holocaust is neither ge-

netically nor geographically preordained. Fifty years after Auschwitz, our attitudes and actions should stand in solidarity with the silent screams of the Six Million. If we are to find any last solace in ceremo-

nial moments of silence for yesterday's victims, we dare not allow society to permit its ethical moorings to be cast off by high-IQ social critics and their political and ideological allies. We simply cannot allow ourselves to entertain the idea of any sort of social engineering, by any group or individual, no matter what purportedly urgent cause is invoked. Only thus can we give meaning and substance to the words, "Never again."

The writer, associate dean of the Simon Wiesenthal Center in Los Angeles, contributed this comment to the Herald Tribune.

The writer is chief political strategist of Interinvest, a global money-

### Why the Arguments for Relaxing Sanctions on Saddam Are Wrong WASHINGTON — Time to

relax economic sanctions against Saddam Hussein's regime? Both moralists and cynics are mounting fervent arguments for letting up on Iraq as the fourth anniversary of the Gulf War arrives. Both camps have it wrong.
The moralists — I have in mind

the heads of the National Council of Churches and the Episcopal Church in America, who have just written to President Bill Clinton denouncing sanctions - hope that letting up will relieve the suf-fering of the Iraqi people and subtly undermine what they call

Saddam's "suffocating rule."
The church leaders allow hope to triumph over experience. They focus on the prospects of redemp-tion rather than on the hard reali-

ty of Iraq today.
Iraq is worth a debate in this 50th anniversary year of the de-feat of the Nazis in Germany and the liberation of Auschwitz. The nature of Saddam's regime cannot truthfully be disputed: It is murderous, and evil. If the governments, churches and human rights organizations of the world will not draw the line in Iraq, they will not draw the line against evil anywhere. We will never again be able to say: Never again.

In its latest refinement of rule by sadism, the Baghdad regime has amputated hands and cars from several thousand army deserters, political opponents and common criminals during the past six months, The Independent reported in London on Jan. 13. Saddam's torturers paraded

By Jim Hoagland

on television one of their victims

— Ali Ubaid Abed Ali, a thief shown writhing in agony --- as a warning to the nation. The account confirmed a report

published in Paris two months earlier by Le Monde. The paper's expert Middle East correspondent, Françoise Chipeaux, also recounted that the regime was tattooing identification numbers on the foreheads of victims. Never again?

This may come as a shock, but not as a surprise. Saddam used poison gas against Iraqis before Operation Desert Storm curbed his capabilities. He practiced a well-documented campaign of genocide against Iraq's Kurds for a decade. But such once-salient facts recede into the mists of memory as time marches on. Unless you are a Kurd.

Different memories haunt Presiding Bishop Edmond Browning national head of the Episcopal Church. He visited Baghdad to witness for peace before Operation Desert Storm was launched in 1991 and has remained concerned about the fate of the children and other Iraqis he met, according to the Reverend Brian Grieves, head of the church's Peace and Justice Center in New York and a principal drafter of the letter to Mr. Clinton.

The bishop and the Reverend Joan Brown Campbell, general secretary of the National Council of Churches, wrote the president on Jan. 26 saying that the United

Nations should end its "cruel punishment of an entire people" by relaxing sanctions now.

Their letter, which was released to the press, notes that Iraq al-ready has authority to import food and medicine. But it does not note that Saddam refuses to use that authority, as a way of protesting the broader sanctions and the UN requirements that Iraq pay reparations if it sells oil. Saddam does not simply refuse

to alleviate his people's suffering; he holds them hostage for political purposes. The church leaders assume that he will allow conditions of life to improve for "the Iraqi people" - that really means the Sunnis of Baghdad — if sanc-tions are relaxed. The evidence suggests that he will continue to hold the Baghdad population bos-tage and step up his internal war on the Kurds in the north and the Shiites in the south, who will not gain if sanctions are relaxed while Saddam is in power.

The cynical argument, com-plete with disclaimer of cynicism, is put forward by Eric Rouleau, a former French ambassador to Turkey. In an article in Foreign Affairs urging the lifting of sanctions, he recalls Charles de Gaulle's view of the state as a "cold monster" that must pursue

its interests wherever they lie: The French, without necessarily being cynical, tend to be skeptical of the moralism that America traditionally attaches to its policies ... France recognizes only states ... The regime governing a state is not its concern ... The notion that there are rogue states has no equivalent in the French political vocabulary.

Fortunately that does not in fact represent the view of "the French as a nation. France does enforce sanctions against Iraq, and differentiates its relations between a Chile ruled by Augusto Pinochet and one ruled by democrats, or a South Africa ruled by P. W. Botha and one ruled by

Nelson Mandela. The nature of a regime is and should be a decisive factor in the way other states treat it, de Gaulle and Rouleau to the contrary notwithstanding.

That is the tragic lesson learned from the blind eye the world turned to "the internal affairs" of Nazi Germany. The world said "Never again" when it learned the full extent of the Holocaust. In Iraq we will learn if the world really meant "Never again."

The Washington Post.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1895: Liner Wrecked

LONDON - North German Lloyd Atlantic Liner wrecked; three hundred and eighty lives lost. Such was the brief message which was received in London yesterday [Jan. 30] evening and caused universal horror and grief. With later details it was learned that the Elbe had gone down, after a collision, with nearly all on board.

#### 1920: Prudish Parisians

PARIS - There was great emotion in the Salon of the Independents over an incident that reversed the jokes about American prudery. When the sculptor Brancusi arrived he found that a bust he was exhibiting was not in its place. Had it been stolen? Much anxiety was manifested. Presently it was learned that the police had suppressed it "so that M. le ministre should not be shocked."

### 1945: Newly Free Press

PARIS — Unqualified support of the principles of the free press was expressed yesterday [Jan. 30] by Albert Bayet, president of the French Press Federation, in a letter addressed to Wilbur Forrest, chairman of the Free Press Committee of the American Society of Newspaper Editors, now visiting Europe. In his letter M. Bayet said: "The French Press of the Liberation is in no way a governmental press. It is the heir of the underground press which was freely established in the resistance movements. These papers. published under German occupation, were edited by groups of independent citizens who dared Hitler's and Petain's Gestapo in order to express the real and profound thoughts of the French people. Born in freedom, between the barricades, the new press in-tends to live in liberty."

مكذا من المليطل

O P I N I O N

# مكدًا مِن الإحها

# Boris Yeltsin: The Man Who Disappears?

DAVOS, Switzerland — In the most recent poll of Russian voters, Grigori Yavhinski his name means The avoided. Here is evidence to Moscow with his seven, per-Man Who Appears" - now draws more support for president than Boris Yeltsin.

than it does about the collapse of public backing for the president who ordered 60,000 troops to Dzhokhar Dudayev; the Chewipe out a few thousand seces- chen invited the Russians down sionaries in Chechava.

The "conqueror of Grozny" is now down to single digit support, along with his prime min-bargainer, with his two leading ister, Viktor Chernomyrdin, advisers playing bad cop, good Democratic reformers, along with the legion of mothers of young soldiers, have abandoned Mr. Yeltsin because he to Mr. Grachev as a separate chose war over prolonged nego-tiation. Nationalists and Comchose war over prolonged nego-tiation. Nationalists and Com-munists are furious because he most powerful man in Russia." revealed the ineptitude of the army and brought further renege on Mr. Dudayev's agreeshame on the nation.

Even those who despise the

By William Safire

suggest that is true:

to his capital.

cop. The Chechens offered sev-

holding back the others to give

captives to Mr. Yavlinski,

that bloodshed could have been In December, Mr. Yavlinski would discuss links with a condouble wall: first, a Polithuro of was informed that Pavel Grafederation. It might take years sycophants, worned about criminal prosecution of themselves if ing strength of the 42-year-old minister, was preparing to at- circle, but Mr. Dudayev had his he loses power, and second, a economist from Lvov, head of a tack Grozny. To avert violence opponents within Chechnya force of 70,000 soldiers that reformist bloc in Parliament, and get back 14 captured Ruswho worried about economic serve as a Practorian Guard,
then it does not be a practorial for the state of the stat

sian soldiers, Mr. Yavlinski telephoned the Chechen leader, pressure. A deal was possible; but if attacked, the Chechens would unite behind Mr. Dudayev and fight for independence to the death. Mr. Yavlinski found Mr. Du-His advice was ignored. Mr. Grachev ordered the bloody at-

tack, boasting that it would be over in two days. Incredibly, Mr. Yeltsin chose that moment to elect surgery on a deviated septum, generating nationwide dorov, 38, former finance min-derision about his "two opera-ister, irritated fellow reformers tions" - against the Chechens with his yes-but wassling on and on his nose.

Then came the television pic-When the bad cop began to tures of the bombing and the bodies, the ensuing media firement, Mr. Yavlinski said he storm and public revulsion. Mr. would sit in Grozny until his Yeltsin might have thought his Chechen mafia and affirm the need to maintain Russia's farflung borders are convinced leased in two separate groups.

vere even more widely despised

Mr. Yavlinski returned to than parliamentarians. But what is being called his snaded that Mr. Dudayev aventura isolated him behind a

> Where do I get all this? At the World Economic Forum in Davos, Russian regional leaders ordinarily scattered over 11 time zones come to do business. Boris Nemisov, 35, governor of the Nizhny Novgorod region, would be a hot political property in any country.

Of the Moscow contingent, the supercharged Boris Fyo-Chechnya (President Bill Clinton has little contact with these leaders; most at home think his initial advice to Mr. Yeltsin was "be quick about Chechnya.")

Dmitri Ryurikov, a foreign affairs spokesman for Mr. Yeltsin, says he sees "no evidence that an election will not be held in 1996." That curious locution caused Mr. Fvodorov to counter that he saw no evidence that an election would be held; as Mr. Yavlinski noted, no organization is being built to conduct an impartial and monitorable national election.

The great question is not "will Yeltsin be re-elected?" but "will an unpopular president and his vulnerable coterie permit an

election that he might lose?"

Last week, Mr. Yeltsin asked Mr. Yavlinski — who has called for the president to resign — to come see him. Mr. Yavlinski said yes, but not merely for a photo-opportunity show of support. If they meet this week a Chechnya compromise may still be possible.

The New York Times.

# No Dictated Interpretation of History

HICAGO — Not to know what Chappened before you were born is to remain always a child." These words of Cicero offer as good a justification for the study of history, and of civilization, as one can find. But they are, of course, decep-tively simple. Nothing is more immediately contentious than the attempt to define

#### MEANWHILE

what schools should teach the child about history. When that is in turn tied to the goal of producing "national standards" for such teaching and its outcomes, as is happening in the United States, we Americans are in serious trouble.

None of the following unexceptionable intentions matters: that these standards are meant to be voluntary, exemplary, adaptable; that their purpose is to raise the sights and accomplishments of educational quality and rigor in the schools; that their intent is to advance the understanding of history as a process of investigating, illuminating, analyzing and reflecting on the nature of experience and to do so in the service of responsible citizenship. However respectable the motive, a nationally certified, federally funded, consensus-laden version of history can only be seen as a kind of mandated interpretation of the past, an official regulation of its lessons -and

a sure invitation to political misuse.

The "national standards" for world history have been rather curiously criticized for departing from Western civili-zation. This is odd, since world history presumably must contain more than that of the West and since the West has indisputably been located in and deeply shaped by a larger global history. Its development is incomprehensible outside that context. Moreover, it is a distinctive feature of the American civilization to be self-consciously aware of and inquisitive about other cultures. Americans have always been interested in the play of individuality and commonality, difference and assimilation, that characterizes their background as a nation. So the complaint about veering away

from Western civilization must have

By Hanna Holborn Gray

something to do with a sense that the whole enterprise of "national standards" is another exercise in political correctness. This may be summed up as multiculturalism pursued to the disdainful exclusion of the values ascribed to Western civilization, preoccupation with anonymous social history at the expense of more tradi-tional modes of political and institutional history, an excessive attention to stories of victims and oppression and to issues of race, gender and ethnicity, an orientation

to the unfrocking of old saints.
This can be awful stuff. But read carefully, the "national standards" for world history are not by this definition politically correct. Anyone can find words or phrases or matter that stimulate discomfort if one reacts automatically and out of context to their appearance. The simple word "gender" can set off a frisson in some people. Some may consider mention of any aspect of women's role in history as proof enough of a tendency toward the deadly PC virus.

The "national standards" for world history offer a generally balanced, fairly interesting and appropriately broad and integrated approach, combining the traditional with a careful admixture of subjects that have been well developed in historical scholarship.

washing the impressionable young or that they depend on a unitary or unpalat-able view of politics and value. A central lesson they do want students to learn is as wholesome as the proverbial apple pie: Students, it is said, should be able to "challenge prevailing attitudes of historical inevitability" and "should understand that options existed in the past and that history is contingent on human agency and individual choices."

The "national standards" are wonderfully ambitious; I am tempted to whisper, "probably too ambitious." If students graduating from college, let alone high school, knew as much and thought as well as the standards prescribe, we could die happy, perhaps even confident about the future of Western civilization. It may be well to set the target beyond reach in order to stretch and challenge

teachers and students alike. No, the real trouble with the national standards is that they exist at all - or exist under that title and under quasiofficial auspices and with some kind of

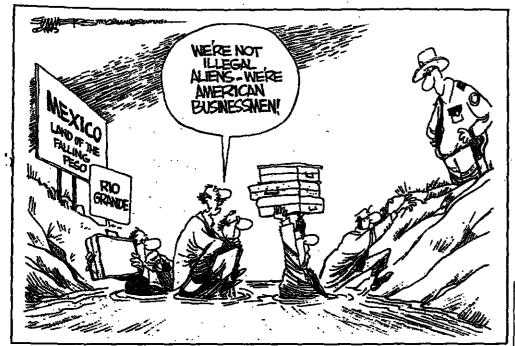
"certification" in the offing. They are bound to stimulate the worst kind of political discussion and even negotiation contrary to every principle that should animate the free discussion of "knowledge." The ensuing process will further elevate to the status of dogma the growing claim that people have the right "possess" their histories.

History, in this reading, becomes not an object of independent debate but a test of patriotism or orthodoxy, not a path to the understanding of the human condition or the institutional and social fabric over time, but an imposition of doctrine under the guise of consensus or official truth. That is certainly not the outcome for which the authors of the 'national standards" have aimed, but it would not be the first time (just read history) that good intentions have walked around with blinders on.

History is above all the study of complexity. The capacity to live and come to terms with complexity may be the hardest and most important thing we have to The trouble with the "national standards" is not that they are far-out, or radically revisionist, or aimed at brained by the authority of federal agencies, historians could have produced a book called Guidelines for the Study of World History for readers to ponder and to argue.

In the matter of the worth of studying history and the history worth studying, there can be no single or simple or legislated agreement. Not to be children forever, as Cicero would have it, means also to be unafraid of the complexity and controversy that inevitably accompany the search for some genuine understanding of the past, and hence of the present as well.

The writer, a professor of history at the University of Chicago, contributed this comment to The Washington Post.



#### LETTERS TO THE EDITOR

#### To Terms With GATT

Regarding "America Needs Dec. 201:

Michael Armacost and Lawrence Lau fail to shed light on what is keeping China from ac-ceding to GATT and the World cle reinforces two erroneous notions: that the United States is most products as part of its unilaterally blocking China's accession to GATT, and that it is doing so by claiming that China is a developed rather than a developing economy.

There is truth to the statement that "advanced industrial economies ... are content to leave the onus in the protocol negotiations on the United States." However, the fact that these nations hope to avoid China's ire does not alter the and lengthy ban on the prodpertinent facts: there are requirements for GATT membership, which apply to existing and prospective members; members other than the United States have requested China's comment or commitment concerning such requirements; and China has not fulfilled many

of those requests. The accession proposal before China permits it to phase ber economies at single digit or in many GATT-required trade low two-digit duty levels.

practices. The authors do not the GATT proposal.

As for the substance of what GATT requires of China, every GATT member commits to eliminate preferential treatment of domestic sellers for acces tion to GATT.

GATT also requires commitments to the reduction and removal of most nontariff trade barriers. One example of where China is not in compliance is its ban of all fruit and vegetables from California. This is ostensibly for public health reasons because of the Mediterranean fruit fly that affected California in the 1970s. Such a sweeping ucts of another nation is not consistent with GATT or justified by public health concerns.

Even if a product may be imported. China's tariff levels are often excessive. For example, many food products enter China subject to a 55 percent duty. By comparison, many goods that China exports (gar-ments, toys) enter GATT mem-

These restrictions and high cite any specific examples tariffs harm consumers in Chi-where China should, in their na. It is in the interest of China in GATT and the World view or that of the Chinese gov- China's citizens that their na-Trade Organization" (Opinion, crument, be permitted a phase- tion accede to GATT in a manin that is not already part of ner that reflects the rules and spirit of GATT.

DONALD MEYER.

#### Hong Kong. **Bringing It All Home**

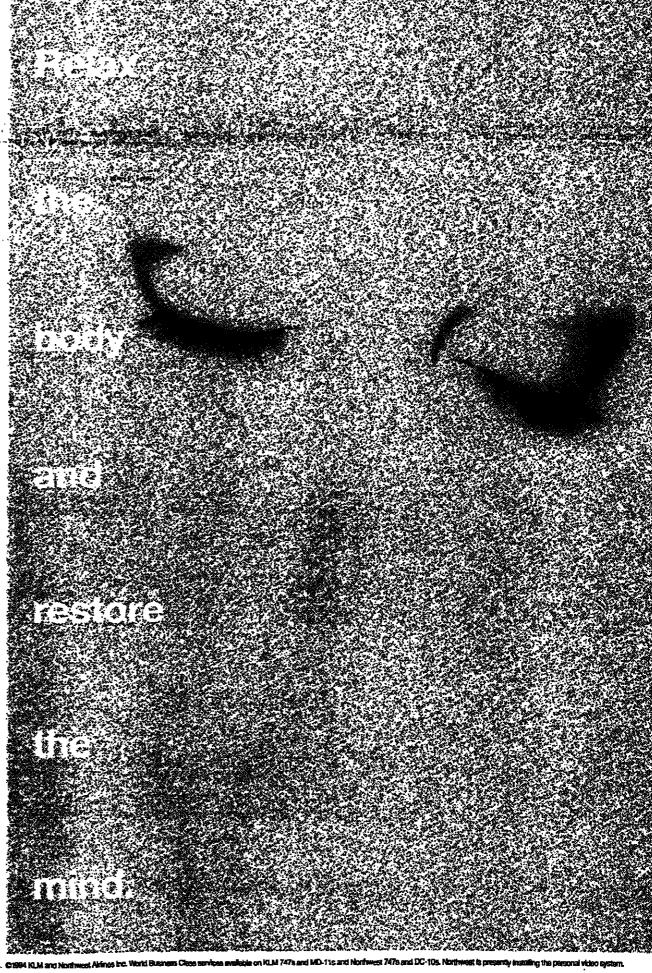
Regarding "Is Hall of Fame Making Rock Musicians Too Re

spectable?" (Features, Jan. 18): Neil Strauss's excellent piece was marred by some unfortunate inaccuracies about who wrote what. May I don the pedant's bright yellow anorak and set the record straight?

"When the Levee Breaks" was written by the blues singers Memphis Minnie and Kansas Joe McCoy and first recorded by them in 1929. "Bring It On Home" is not a Led Zeppelin song, but a reworking of an original by Sonny Boy Williamson. While it is correct that Muddy Waters wrote "Long Distance Call," he did not write "Baby Please Don't Go." The author was probably blues singer Big Joe Williams, who claimed it as his and first recorded it in 1935.

PAUL VERNON. London.





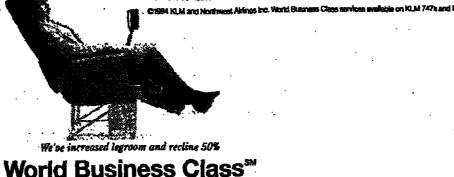
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MACAS, Ecuador - Ecua-

dor and Peru should negotiate a peaceful end to a half-century dispute over a mineral-rich region that has led to five days of border skirmishes, regional and international leaders urged Monday.

In a hopeful sign, the two countries accepted an invitation to attend a meeting in Rio de Janeiro involving representa-tives of the United States, Bra-

zil, Chile and Argentina. Paraguay and Uruguay also offered to mediate, and Pope John Paul II, along with leaders of France and other countries, called on the two neighbors to settle the dispute peacefully. "France regrets the conflict,"

the French Foreign Ministry spokesman, Richard Duqué, said at a press briefing. "It calls upon both sides to settle their dispute through dialogue." There were no new reports of

fighting Monday.
The Peruvian military command said Monday that a missile fired a day earlier by Ecuadoran forces had brought down an MI-8 helicopter that was re-

Compiled by Our Staff From Depatches supplying troops. The five that it was robbed of half its

Ecuador said Sunday it had downed two Peruvian helicopters, killing at least seven soldiers. There was no way to immediately reconcile the differing numbers.

Unofficial reports from the battle area said that more than 20 Peruvians and 30 Ecuadorans have died.

Ecuador announced a new tax Monday to pay for the war. tax Monday to pay for the war.
The Quito government ordered
state employees to contribute
two days of their annual salaries to help pay for the cost of
renewed dispute, which concerns portions of southern Ecuador and northern Peru near the Cenepa River.

Peru and Ecuador have been trading charges over which is the aggressor in fighting that has claimed dozens of lives. Sunday was the 53d anniver-sary of the Rio Protocol that

ended a war between the two

countries over their sparsely

populated border. Ecuador has never reconciled itself to the settlement, arguing

crewmen on board were killed. territory when a map delineating the region was agreed to in (AP, Reuters)

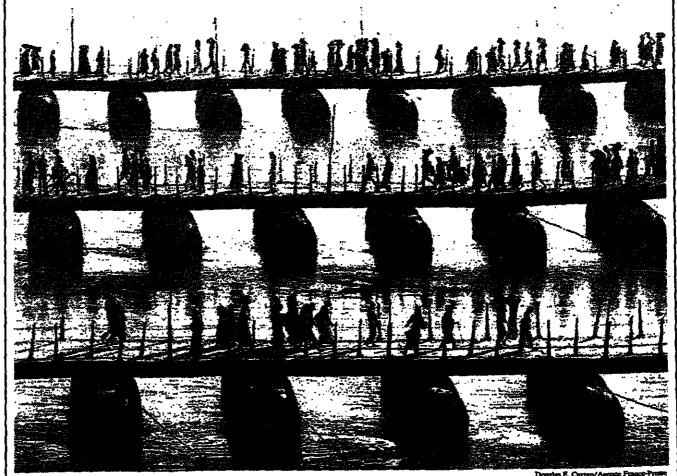
#### Ecnador Outnumbered

James Brooke of The New York Times reported from Lima: If serious fighting erupts, Ec-uador is considered to be at a disadyantage.

Both Peru's population of 22 million and its military, with 120,000 troops, are twice as large as Ecuador's. In addition, Peru's military has 15 years of experience in fighting guerrillas, often on terrain similar to the contested mountain ridge covered with rain forest.

Undaunted, Ecuadoran sol-diers have dug trenches within view of Peru's border, and have built artillery and anti-aircraft

According to reports here, Ecuador has mined a border stretch of the Pan-American Highway, the region's best paved road, in case Peru should use it to try to thrust north. Ecuador also has evacuated many border communities.



BRIDGES TO HOLINESS — Hindu pilgrims crossing the Ganges at Allahabad on Monday for a religious festival.

#### Portugal Takes Australia to Court Over East Timor

THE HAGUE - Portugal on Monday accused Australia of violating East Timor's right of self-determination by signing a 1989 offshore oil treaty with

"East Timor's oil is tainted with so much blood and salted with so many tears." José Manuel Servulo Correia, a Lisbon attorney and law professor, told the International Court of Jus-

As the United Nations court began three weeks of hearings. Mr. Servulo Correia said Australia had violated East Timor's right of self-determination by signing the treaty covering oil exploration in the waters known as the Timor Gap.

Recent oil finds in the area, a 61,000 square kilometer (23,550 square mile) stretch of sea between East Timor and Australia, have given an edge to the dispute, reviving initial hopes that it may contain up to 1 billion barrels of oil.

Indonesia, which was not represented at the hearings, invaded the former Portuguese colony in 1975 and annexed it

Continued from Page 1

percent of Croatia's population from Yugoslavia in 1991. They went to war to resist joining Croatia after being provoked by some of Mr. Tudiman's policies of the Croatian government, the plan also presents significant problems. A U.S. offiand by nationalist propaganda cial said Mr. Tudjman already from Belgrade that dwelt heavi-

truce, the resistance of the Cro- area. atian Serbs remains resolute, the plan deeply problematic.

#### French Are Undecided Over Presidential Race

PARIS — Three months before France's presidential election, 61 percent of voters are undecided over whom to vote for, according to an opinion poll published Monday.

The SCP poll, published in the daily InfoMatin, said that was a record percentage of unrecognized by the United Na- the run-up to a presidential

Peter Galbraith; the Russian convince them of this is virtual-jame, and two officials from the Serbs represented nearly 12 International Conference on the Former Yugoslavia. It is informally known as the Z-4 --

ly on Croatian acts of genocide ings over the proposal to allow against Serbs in World War II. the Serbs their own currency Three years after the conflict and the right to elect their own in Croatia ended in a tenuous president of the autonomous

Western diplomats argue making the acceptance of Cro- that Croatia brought the curatian sovereignty proposed in rency problem on itself by reintroducing the kuna, the curren-The plan was prepared during the last several months by government of Ante Pavelic in the U.S. ambassador to Croatia, World War II and thus one with horrendous associations for the Serbs. Under the plan, the Croatian central bank would issue a currency with a different name but the same value for use within the Serbian autonomous re-

> In practice, the Serbs - who call the region they hold the Krajina - would exercise selfgovernment in the area around their capital in Knin and farther north in the area of Glina.

the following year, a move not decided voters at this stage of fiercely contested Vukovar remade to join Croatia - or ac-

to give up control there and accept direct Croatian authority. That condition is certain to be fiercely contested because the area is rich in oil and close to Belgrade, and the Serbs have

no desire to give it up. Another Serbian-held area in western Slavonia, near Novska, also would come under Croatian rule. As a result, an official estimated, more than 90 percent of Croatian refugees would be able to return to areas administered by the Croatian authorities. The plan represents the third

stage of a process that has eased tensions between the Croatian government and the Serbs during the last 10 months but without coming close to resolving the basic conflict.

The process began with a cease-fire last March and continued with economic agreements late last year that allowed a stretch of highway and an oil pipeline to reopen. But the fundamental conflict

has always centered on the question of Croatian sovereignty in areas to which Serbs moved several centuries ago and which they regard as Serbi-

Just two months remain until the UN troops are due to leave, But because they did not con- and it seems virtually impossigion on the west bank of the cept a future adherence — by Danube, the Serbs would have then.

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Appears on Page 3

## SERBS: U.S. Plan Called Last Chance to Avoid a War Worst Shelling Since Truce Hits Bihac

SARAJEVO, Bosnia-Herzegovina - The northwestern enclave of Bihac has been rocked by more than 1,000 shells in the iercest bombardment since a shaky nationwide truce took effect a month ago, the United Nations said Monday.

In the east, UN peacekeepers sent ambulances to Muslimheld Gorazde to evacuate near-Serb officials gave approval for the convoy to cross front lines.

**INSULTS:** 

the Polish people.

rate the noera

Continued from Page 1

measure, and said it was indica-

tive of widespread, unrecon-structed anti-Semitism among

The abrupt closure of the

Japanese magazine followed a

wave of protests led by the Si-mon Wiesenthal Center in Los

Angeles, which expressed out-

rage at the publication of the

article in the same week that

leaders from 38 nations and

Holocaust survivors were arriv-

mous camp by Soviet troops.

ing in Auschwitz to commemo-

200 wounded people after Meanwhile in Paris. Lord

months. The Muslim-led Bosnian

Army, which lost some ground last week in Bihac, appeared to gain the upper hand there and put rebel Muslim and Serb forces on the defensive, UN officials said.

A UN spokesman, Major southeast of the town of Velika stopped most of the fighting. vice Dec. 24. (AFP, Reuters)

David Owen, the British media- Kladusa, where more than tor, said attempts would be 1,000 artillery and mortar exmade to relaunch the Bosnia plosions were reported Sunday peace process over the next two and Monday. Most shells appeared to come from Croatian Serb positions and forces loyal to the Muslim business tycoon Fikret Abdic.

> The Bosnian Army, which is fighting off the rebels, also fired about 150 mortar bombs.

Bosnia's main warring fac-Koos Sol, said that shelling pertions signed a cease-fire that sisted overnight south and took effect Jan. 1 and has

An ATR-72 Crashes on Taiwan in Rainstorm

Compiled by Our Stuff From Disputcher TAIPEI - Four Tanganese crew members — the pilots and, two stewardesses — were killed; when a domestic airliner. crashed Monday in heavy rain

crashed Monday in many fam, south of Taiper, aviation and police officials said.

The propeller-driven ATR-72 of TransAsia Anyaya formerly called Fu Hsing Airmes. plunged into a valley in Kneishan township, about 80 kilo-meters south of Taiper, avaitou officials said.

The aircraft was on its way from the Peng-lin inlands of Taiwan's southwest coast to Taiper's domestic airport. Sungshan. It crashed less than 15 minutes before it was due to land, an airport official said.
The ATR is a short range

commuter airplane made b Avions de Transport Régional a joint venture between Aero-spatiale of France and Alenia SpA of Italy.
An ATR-72 operated by the American commuter airline American Eagle crashed in In-diana in October last year. All 68 people on board were killed

The crash prompted the Federal Aviation Administration to ground ATR-42s and ATR-72s in icy conditions, but the ban-was eased to apply only to flights in freezing rain or driz-

Although it was raining at the time of the crash in Taiwan, the temperature in Taipei was about 10 degrees centigrade (50 degrees Fahrenbert), state television said.

Airline officials said the airline bought the plane in mid-December, and it started ser-

### Museum Clips Enola Gay Exhibit Magazine Closes

Compiled by Our Staff From Disputches

WASHINGTON — The governing body of the Smithsonian Institution decided Monday to radically simplify a planned exhibition of the Enola Gay and the atomic age that the historic B-29 bomber ushered in. The National Air and Space Museum will simply show the fuselage of the airplane and possibly a video of the memories of its crew.

"We made an error," said L Michael Heyman, the Smithsonian secretary, in announcing that the Smithsonian's board had accepted his recommendation to drop plans for an elaborate exhibit that would tell of the bombing in August 1945 of Hiroshima and Nagasaki and the consequences that flowed from it.

Veterans' groups and many members of Congress had complained that the planned exhibit showed America as the aggressor in the Pacific war and put too much emphasis on Japan's suffering. They also said the exists underestimated the number of American soldiers who would have perished if the bomb had not been dropped and an invasion of Japan had been necessary. (AP, Reuters)

# FARMER: A Shanghai American Grows Into a Hero

Continued from Page 1

"It is a monstrous attack on history and the innocent vicbetween industry and agricultims of Nazism that slanders an ture as well as between foreign entire people." the associate investors and local officials dean of the center, Rabbi Abrawith newfound powers. ham Cooper, said in a letter to

"I've suffered every indignity the Japanese ambassador in Washington, Takakazu Kurthat can happen to a company," Ama. Mr. Long said, brandishing a The center's European repre- long metal pipe he began using

sentative. Shimon Samuels, said to protect his vegetable patch. fresh instances of anti-Semitism When Mr. Long came to Chicross his desk almost every week, including examples from

two other airline magazines. Ten months ago he protested to Rondalberia, the magazine in Minneapolis and developing of the Spanish airline, over an article about a festival in Spain in which villagers dressed as "Jews" are symbolically perse-

cuted. The festival, in Fresnedillas de la Oliva, which is full of anti-Semitic symbolism, took place again this month. In its latest issue, the magazine said it regretted any misunderstanding

caused by its earlier report. Mr. Samuels also mentioned an article about business opportunities in Vilnius in the magazine of the Lithuanian airline. It of two Hasidic Jews, which the center found offensive.

Jewish organizations agree that anti-Semitism has flared with the fall of communism and the quest for national identity in Eastern Europe. Latvia, for example, recently issued a stamp commemorating the jubilee of its air force that showed a vintage aircraft with a large swastika painted on the fuse-

circulation, despite its being banned from the international mail system by the Universal Postal Union in Bonn. The widespread anti-Semi-

tism places organizations such as the European Jewish Congress and the Anti-Defamation League in a quandary. While they cannot ignore it, they do not want the issue to obstruct years of patient negotiations aimed at improving relations between Christians and Jews in Europe.

concerned about the underlying far enough apart in age for a attitudes in Poland that seek to deny that the Holocaust was him get his first acting role in directed overwhelmingly London. Richard, then 18, against Jews.

President Lech Walesa of ton. fended Jews last week by omit-Auschwitz, on a much smaller with this rather strange lad." scale, such as Gypsies.

to let him try this was another it was taking back 12 more ms matter. First, he had to conduct for new buildings. tests with the Shanghai Soil and Fertilizer Station. Over two and a half years, he tried his fertilizer with 371 vegetables, from

dives to carrots.

na in 1988, it was not to grow vegetables. His previous business was running a home decorating products company based "business systems" for companies such as RCA and Textron. Hoping to make some money, "start life again" and leave behind an "awful" divorce, he sold American television pic-

ture-tube technology in China. When business virtually halted after the Chinese government's 1989 crackdown around Tiananmen Square, Mr. Long went into farming. His idea: to pioneer custom-blend fertilizer for Chinese farms.

Most Chinese farmers use raw pig manure as fertilizer, a deal fell apart. The official later was illustrated by a caricature process that can clog the soil's opened a car repair business, a nutrient absorption. Mr. Long tree nursery and a restaurant on sent Shanghai soil samples to the site, Mr. Long said. the University of Minnesota's soil testing lab. On their advice, stepped in. It offered to lease he used 80 percent dried pig Mr. Long 40 mu, about 6½ manure spiked with chemical acres (2.6 hectares). But when

chicory to cantaloune, from en-

Next, Mr. Long had to find a plot of land, also not a simple matter. He made an agreement with the village of Liuli, in the Pudong section of Shanghai, Its appeal: 30,000 people and 100,000 pigs. Mr. Long's idea

was to grow vegetables for big hotels while making fertilizer on the side. In September 1992, he leased a plot, supposedly for five vears.

It lasted just five months. Mr. Long was kicked off his farm to make room for a city hall and a school. The city hall was never built, and part of the land became a garbage dump. Then Liuli's deputy mayor

negotiated to lease Mr. Long another location, but at the signing ceremony the town's agriculture official balked. The

fertilizers, to better balance nu-trients. Wr. Long showed up, the farm was only 38½ mu. Two weeks Persuading Chinese officials later, the collective announced

Mr. Long was caught in one of the world's hottest land

 $N_{\rm t}$ 

plays. Shanehai is mining Pudong, the eastern bank of the Huangpu River, into a major industrial zone. In the frenzy, local officials

are busy wheeling and dealing. As Mr. Long tried to hang out his plot, new construction crept closer and closer.

Soon, Mr. Long became mired in a dispute over greenhouses that the enterprise had promised to build and over a farmhouse. With the roof in treacherously bad shape and the walls cracking, Mr. Long refused to pay in full. Threats-were exchanged. Local officials refused to give him legal in the control of the

voices he needed to make sales. Then Deputy Mayor Meng Jianzhu of Shanghai showed up with television cameras in tow. Brushing aside the pleas of local officials, Mr. Meng bestowed his blessings on Mr. Long's venture. The enterprise leader was jailed and accused of stealing \$35,000.

"Everything is face in China," Mr. Long said, using the local phrase for respect. "If a high official comes to give you face, he's saying the govern-ment approves of what you're doing.

Now he is trying to choose a new site in Pudong, but this time he has a lot of choice.

# swastika painted on the ruse lage. The stamp still is in domestic Philip Burton, Theater Figure, Dies

New York Times Service NEW YORK -- Philip Burton, 90, a stage director and actor and the foster father of Richard Burton, died Saturday in Davenport, Florida, following a stroke.

discovered the talent of a pupil, Richard Jenkins.

In 1943, he informally adopt-Mr. Kahn said he was more ed the youth - they were not legal adoption - and helped changed his last name to Bur-

In a 1989 interview, the directing reference to them in a tor Tony Palmer, who had just speech about the Holocaust. completed a documentary on When he finally did mention Richard Burton, said of Philip them, he did so only in the context of other groups who died at high for what he managed to do And Richard Burton, who

died in 1984, once said of the man he called his father, "Evtheater, I've learned from Phil-

The Burtons found acclaim week. simultaneously in the postwar

Ezra Rachii, 79, an American man he called his father, "Ev-erything I've learned about the lived in England for the past 20 years, died in London. He underwent vascular surgery last

Patricia A. Welsh, 79, who In the late 1930s, when he era, Philip as a stage director supplied the raspy voice of the was teaching Shakespeare at a and actor. He was also a writer, space alter "E.T." in one of the school in Wales, Mr. Burton teacher and director for the most propular. teacher and director for the most popular movies of all BBC. He moved to New York time, died Thursday of pneumonia in Tucson, Arizona.

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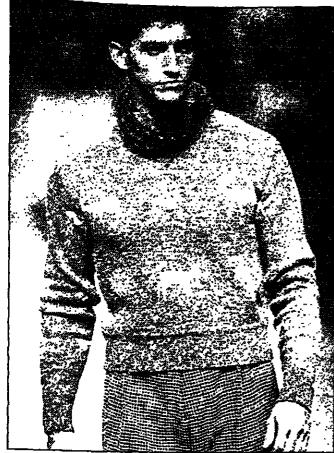
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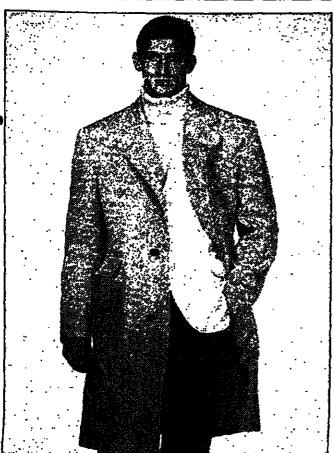
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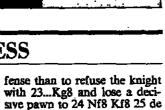
By Robert Byrne ICHAEL ADAMS beat M Niama Tumurhuyag in the International Team Championship in Moscow.

The sequence with 5...b5 6 Bb3 Bb7 introduces the aggressive, counterpunching Archangelsk Varation of the Ruy Lopez. If White eagerly attacks with 7 Ng5?, he is beaten back by 7...d5 8 ed Nd4! 9 Rel Bd6 10 f4 O-O! 11 fe Bc5! 12 Khi Nb3 13 ab Qd5 14 Qf3 Rfe8 15 Od5 Nd5 16 c3 Nf4 17 d4 Ng2. In a sprinkling of games recent-ly, White had preferred the qui-et, positional 7 d3 which Adams chooses here. Although Tumurhuyag had no trouble achieving the thrust with 10...d5, Adams had a comfortable mobilization. After 11 ed Nd5 12 a5 Kh8 13 c3, it was too early for an attack with 13...f5?! because 14 d4 ed 15 cd Be7 16 Nf4 Nf4 17 Bf4 leaves Black with weak central squares, particularly on the

Instead of 14...Qd7, Tumurhuyag should probably have played 14...Qd6 to prepare Rad8 and ...f5. And on 15 Rel, he weakened his chances for an eventual attack by taking his king rook away from the kingside with 15...Rfd8?!, instead of developing with the renewed threat of 30 Qh7. 15...Rad8.

Adams perceived that the snail's pace his opponent was following gave him the opportunity for a mating attack and he came right on with 18 h4 and

The Englishman held to his attacking plans with 21 Nf5 Qf5 22 Nh4 and after 22. Qd7, he charged in with 23 Ng6! Tumurhuyag had no better de-



Nc3 26 Bc3 bc 27 Qd7 Rd7 28



Position after 28...Qef

On 24 hg, 24...Qf5 could have led to 25 Bd3! e4 26 Re4! Nc3 27 Rh4 Kg8 28 Bf5 Nd1 29 Be6

Adams's 27 Re5! prevented the enemy king from fleeing by ...Kf8 and ...Ke7. After 27...fe, the same function was taken

over by 28 Bg5! The Mongolian's 28...Qe6 envisaged 29 Qh7? Ki8 30 Qh8 Qg8, but after Adams's 29 Be7!, there was no way to cope with

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Top, from left: Paul Smith's reindeer sweater and tweed pants; Errol Flynn's grandson Luke in Cerruti sweater set; striped shirt from Yohji Yamamoto; checked jacket and vest from Dries Van Noten, and Comme des Garçons' pajama stripes. Bottom, from left: Short tailored coat with sports jacket from Hermès, and Jean Paul Gaultier's pinstriped suit.





# Designers Are Suiting Up Again

By Suzy Menkes mononal Herald Tribune

ARIS - Stitch by stitch, seam by seam, in the finest fabrics and with the best of taste, menswear has been reconstructed. Ten years after designers started knocking the stuffing out of the suit or trading it for sportswear,

tailoring is back.
The fall-winter shows in Paris last weekend rebuilt the entire edifice of conventional menswear, from svelte body-conscious suits to jacquard sweaters. New fabrics, and the mix of colors and textures. gave fresh impetus to familiar items.

So Paul Smith, in his gutsy collection, focused on the suit and brought back country club specials like pinstripes, covert cloth, whipcord and cavalry twill. A jacquard-patterned sweater worn under a tweedy suit, or regular suiting over-checked in rose pink, squeezed zest from

'With my clothes, it is all really about cut, color and cloth and the coordination of all three," said Smith, who showed tweed fatigue pants, car coats and a suit, curved to the waist with a single button.

Ah, the games that designers play with the suit! Up and down went jacket lengths like seesawing skirt hemlines. For Yohji Yamamoto, that meant jackets tracing the hipbones or elongated to the thighs.

With them went vests decorated with antique Japanese prints or in patterned rice paper, and the curly-brimmed hat of an urban cowboy. There were also variations on the white collar, from a span of bird wings, to brief triangles joined by translucent pins.

The muscled, worked-out male body is the 1990s foundation for the new suit. Jean Paul Gaultier's show was a tribute to the shapely male, as the models stepped out of horse stalls at the Circue d'Hiver, manes upswept, with a ringmaster sending each Equus-in-a-suit parading round the ring.

The supermodels have so much attention — it is nice for the male models to be treated like that," said Gaultier. "I like the idea of making the most of the body, with a rounded shoulder and fitted torso -- on Amazons with lions' manes."

At Comme des Garçons, floppy shirt jackets and drooping tunic sweaters suggest that the new silhouette is still under construction. Striped pajamas and insistent prints of boot soles and identification numbers were disturbing images to put on a fashion runway in the week of remembering Auschwitz. Designer Rei Kawaku-bo's explanation was Kafka-esque: "The meaning is that there is no meaning."

So-called "destroyed" fabrics — boiled and deliberately felted wools — are out of fashion, replaced by traditional materials. At Hermes, that meant hairy herringbone tweed and shetland plaid; or flat covert cloth and tattersall check; or soft-pile pig-skin and velvet. Designer Veronique Ni-chanian has a deft way with luxury and of mixing cocktails of fabric and color.

The skill was also in the mix at Lanvin. where a milk-chocolate pinstriped shirtjacket blended with Donegal tweed pants. Subtle anthracite grays or verdigris bronze were used for the new Studio range, aimed

Tailoring is back, and the fall-winter shows in Paris rebuilt the entire edifice of conventional menswear.

at the American market. Designer Dominique Morlotti tweaked Lanvin's classics with brown buttons on a business suit.

Synthetics — especially nylon parkas and pants — have their place in the mens-wear pantheon. At So, designer Alexander Van Slobbe made Star Trek suits in silver or bright white pique, as well as mixes of fluffy mobair sweaters with nylon pants. Jose Levy's colorful schoolboy tailoring glowed in the dark, from ecologically correct recycling of plastic bottles.

Models bounding though a black plastic clothes in futuristic fabrics that included signature "wind coats" welded in nylon and rubber, and ultra-light coats in ridged plastic or cyberspace blue; tweed blended with nylon; and tunic sweaters coated with

Sweaters were a strong story at Rykiel Homme. Fluffy mohairs and angora in broken stripes and rainbow colors lifted a collection that seemed otherwise downtown and sporty.

The graphic sweater appeared at Yohji Yamamoto as patterns of giant Georgia O'Keeffe flowers or a tape-measure print. At Claude Montana's striking still-life presentation — all steel-mesh sculptures and models framed to show only legs or torsos - sweaters were precisely patterned in geometric squares. They were part of a hard-edged collection that included sharp suits in bright colors and metallic details.
Sex has been thrust into the winter wool-

ly, by shrinking it close to the body, like the rainbow-colored shetland sweaters that made a fine finale at Paul Smith.

Fair Isle sweaters saved the day for Dries Van Noten, whose collection seemed tame, in spite of its juicy mixes of orange and peach, or mauve and raspberry coulis. Having dragged the fashion crowd across town to a sports stadium, Van Noten's show seemed just a parade of nice commercial clothes from pea coat through checked pants.

Why do menswear designers insist on showing all over town, rather than at the purpose-built Carrousel du Louvre? The chapel Kenzo chose, with its soaring equestrian statue and spotlighted bas-relief sculptures made a stunning background for a collection that offered all the current trends from tailored car coats to nylon jackets, in brown and gray (which are the newest neutrals) or in peacockbright veivets.

The baroque gilding and painted cherubs at Balmain's venue reflected the wilder moments of an otherwise conventional show. Designer Bernard Sanz showed holly-red and ivy-green plaid velvet and an impresario coat paraded with a white poodle.

Barcelona-based Antonio Miró offered the essence of modern tailoring, with a soft, lean silhouette, mixing textures like rough tweed, mole-soft velvet and ridged. corduroy, or with a sudden flash of stiff white collar. Maurizio Bonas, in another simple presentation, showed corduroy pea coats, narrow pants and the slim-line suits of a modern-day dandy.

For evening, the French menswear sea son came up with either velvet or the iridescent fabrics shown by Gaultier (who added a bow-bustle) and by Montana, who added a dash of Lurex and a sprinkling of silver dust on the models' faces.

How welcome will a return to elegance be for a new generation? At Cerruti, a group of Hollywood kids modeling the show included the grandson of the swashbuckling 1930s film star Errol Flynn. Luke Flynn came out with tousled blonde hair and a casual stance, wearing a coat with a velvet collar and a chunky sweater set.

"I've seen pictures of my grandfather, but they are not really my kind of clothes," he said. "I'm more of a shorts and beach kind of guy."

#### **BOOKS**

THE END OF WORK: The Decline of the Global Labor Force and the Dawn of the Post-Market Era

By Jeremy Rifkin. 350 pages. \$24.95, Putnam.

Reviewed by James K. Glassman

JITH his new book, Jeremy W Rifkin continues his rearguard action against the future. As president of the Washingtonbased Foundation on Economic Trends, he's best known for his battles against genetically engineered tomatoes and cow hormones, but now he has taken on

a far bigger subject - work. He writes that, thanks to advances in technology, there is less and less of it to go around. That can either be a bad thing or a good thing. So far, he says, it's been bad: Technology displacement and the loss of job opportunities has (sic) affected the nation's youth most of all.

 José Maria Cuevas, president of the Spanish employers federation, is reading "Don Juan," a biography of Juan de Borboo, father of King Juan Carlos I, by Luis Maria Anson. "This book offers an objective and profound vision of a personality and an era which are fundamental for understanding recent Spanish history. The narrative is

interesting and graceful."

(Al Goodman, IHT) criminal subculture." But it usual evidence: "GTE recently could be good: He sees the cut 17,000 employees NYNEX overthrow of the nasty "utilitarian ethos of the marketplace" 16,800 workers ... " In a \$7 and a "future world of enlight- trillion economy, it's not hard to ened human beings who think find individual companies that of themselves first and foremost are cutting back. What counts as Homo sapiens with primary are the aggregate numbers, and responsibilities and obligations those show that the United

WHAT THEY'RE READING

States is aggressively adding to the biosphere as a whole." Before we go much further, jobs, not subtracting them. however, let's look at Rifkin's Since 1975, nonfarm payrolls premise - that work is on the in the United States have in-

has increased by more than 40 English blue-collar workers doumillion over 20 years, the num-bled between 1819 and 1851. ber of unemployed has stayed relatively stable - an average of create more jobs and better jobs

lower-paying work. Karl Marx tors, TV actors, air-traffic pushed this line. He wrote that controllers and restaurateurs. kin's words, "digging their own different from the old one. Rif-grave, as there would be fewer kin may be right when he writes

country gained 35 million net their products." But Marx was jobs (that's new jobs minus lost dead wrong — automation has jobs) — the biggest increase led to a boom in consumerism that he presents no solid evisince 1984. The manufacturing around the world. And extensive dence for this case. sector, which Rifkin says is so research has found that the origiimperiled, picked up 300,000 net nal Industrial Revolution imjobs, and December 1994 proved the standard of living of marked the largest gain in five nearly everyone. For example, a years. Average hourly wages are famous 1983 study by Peter Lin-\$11.26, up from \$4.41 in 1975. dert and Jeffrey Williamson And while the U.S. population found that the real wages of

The truth is that machine

8 million (currently 7 million). since they expand the kinds of Rifkin's faulty thesis is simply things people can do. In 1850 an updated version of the Ludd- most Americans worked on ite argument that, since a weav- farms, performing drudge laing machine with a single operator can do the work that 10 men food with only 2.7 percent of did previously, then the other our work force, and those erstnine will become forever unem- while farmers are software deployed or, at best, forced into signers, machine-tool operaas capitalists replaced workers Of course, the new industrial with machines, they were, in Rif- revolution could turn out to be

potentially vulnerable to replacement." The problem is

James K. Glassman is on the staff of The Washington Post.



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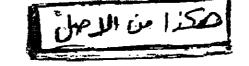
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# U.S. Jobs to Dwindle With the Peso

By Allen R. Myerson

The plunge of the peso and the resulting sharp drop in Mexicans' purchasing power will cost tens of thousands of American jobs, the Federal Reserve Bank of Dallas has estimated, and private economists say the damage to the U.S. economy will be

even greater. The peso's drop is expected to slash about \$10 billion, or more than 20 percent. from American exports to Mexico this year, business and government economists said — turning a healthy trade surplus with Mexico into a large deficit.

The Dallas Fed estimated the job losses to America would be 20,000 to 30,000, but private economists expect them to run into the hundreds of thousands.

The regional bank's research, completed last week, will go to top Federal Reserve Board officials as they meet in Washington this week to consider a rise in interest rates.

Opponents of free trade with Mexico have focused on how many jobs might be lost in the United States as manufacturers relocate south of the border to take advan-tage of lower labor costs there.

But some economists now foresee an even greater toll from a slump in American ex-

ports to Mexico. Demand in Mexico, they reason, will be choked off both by the loss in the first under the North American Free the peso's purchasing power and by a likely Trade Agreement.

slowdown in that country's economy. The new, unmapped territory of free cross-border commerce resists ready analysis, economists caution. Uncertainties include the chances for approval of the \$40 billion American rescue package, the peso's exchange rate and the fortunes of both

nations' economies. Opponents of President Bill Clinton's plan to provide \$40 billion in loan guarantees call it a bailout for investors. They say the peso's drop has raised the costs of free supporters say the number of American other consumer goods would show the jobs at stake leaves the United States no sharpest declines.

choice but to become a co-signer. the Mexican economy to rebound sharply soon. Economists say that even with loan guarantees, American exports will fall sharply and Mexican exports will increase.

The Dallas Fed's estimate of job losses in 1995, after the peso's plunge of nearly 40 percent since Dec. 20, includes jobs lost to increased imports and as a result of illegal

immigration. That estimate is higher than the 17,320 jobs the Labor Department said were lost

In 1994, the administration said, those losses were more than offset by a gain of about 140,000 jobs as the total value of American shipments to Mexico rose in

excess of 20 percent. Several private economists said the peso's plunge would more than erase those gains. WEFA Group, a Philadelphia-area forecasting firm, is among the most pessimis-tic, seeing the evaporation of \$21 billion in exports and 500,000 jobs.

Daniel Bachman, a senior economist trade and borne out Mexico's risks. But there, said electronics, automobiles and

hoice but to become a co-signer.

Practically nobody expects the peso or the Dallas Fed, exports to Mexico will fall from an estimated \$49 billion last year to the period of the Dallas Fed, exports to Mexico will fall from an estimated \$49 billion last year to the period of the per middle of estimates by several leading private economists.

Mexico pulled virtually even with Japan late last year as the United States' secondlargest export market after Canada, affording Washington an estimated \$5 billion trade surplus.

Mickey Kantor, the U.S. trade representative, said this month that the surplus might well vanish this year. But most economists predict a deficit.

Jose Barrionuevo, a senior economist at the Chase Manhattan Bank's securities unit, expects a gap of about \$5 billion. He figures a \$5.6 billion increase in Mexican shipments to the United States and a \$4.5 billion drop in the other direction.

Mexico cannot increase its trade with the United States any more than that because last year's 20 percent-plus jump pushed its exporters near capacity, Mr. Barrionuevo said. Other economists say that Mexican exporters are more likely to crowd out goods from low-wage nations than from the United States.

#### **MEXICO:** Doubtful Backing

Continued from Page 1

the issue is not whether to enhance trade with Mexico, but whether the United States should risk propping up Mexico's currency and government in a crisis of confidence among investors that appears to have been of the country's own making.

Mr. Rubin stressed Monday that action was needed to protect U.S. interests by maintaining the jobs and living standards of American workers, stemming any wider flow of Mexican immigrants and keeping

its neighbor politically stable.
In effect, Mr. Clinton and his senior aides appeared to have decided Sunday night that further delay in tailoring a bailout package for Mexico to meet the political demands of Republicans and Democrats in Congress would have sharply diminishing returns.

The president's task is to bring enough

Democrats on board to persuade the Republican leadership to put the legislation up for a vote with bipartisan backing. The White House is trying to forge a political consensus before delivering its bill, which has already gone through a dozen drafts.

Mr. Gingrich said he was unwilling to push a bill unless he knew it could pass. Mr. Rubin noted at midday that Brazilian stocks were dropping sharply and, in response to a question about the prospects for congressional passage of the loan guarantees, he remarked: "I think there is a broad-based recognition of the gravity of this issue."

The loan guarantee package would es-sentially mean that the United States is cosigning \$40 billion in loans to the Mexican government so that it can pay holders of government bonds that are maturing. Mexico will be charged a substantial fee for the guarantee, but some lawmakers want the Mexican government to promise oil reserves as collateral. Others want promises to improve labor conditions.

wages and environmental standards.
"We'll have good collateral," Mr. Clinton said Monday, without providing de-

When the president announced the plan early this month, Mexican markets rallied somewhat from a sharp decline in the value of the peso and Mexican equities. But many members of Congress began to question the so-called bailout as imprudent and lacking sufficient guarantees from Mexico

that the U.S. Treasury would not suffer.
Since then, the International Monetary Fund has promised \$7.7 billion in credits to Mexico, and four Latin American nations have promised \$1 billion more.

Representative Jim Leach, chairman of the House Banking Committee, cited the potential for "contagion" in financial mar-kets if Mexico's situation further darkened. He said it was "imperative" that Congress deal with the issue "on a timely

But the Iowa Republican provided little solace to anxious investors waiting to hear whether the loan guarantee program would, in fact, go through.

This is going to be a very hard thing to do," Mr. Leach said at a news conference with Mr. Rubin. But while saying he would make no predictions on the outcome, he remarked: "There is a decent prospect."

Mr. Rubin said the president had spent an hour and a half on the phone Sunday to congressional leaders and former President George Bush to discuss the Mexican liquidity crisis.

Representative Robert T. Matsui, a Califormia Democrat who has been involved in the congressional negotiations, denied that many members opposed the loan guarantees. He said that only 30 members. from both parties, have declared their opposition and that others are merely waiting in the wings to see the wording of the White House-sponsored legislation.

Brent Scowcroft, Mr. Bush's national security adviser, stood beside Mr. Rubin on Monday to emphasize the need for quick action from both political parties.

"Mistakes have been made," he said, referring to the Mexican government. "But when the barn is on fire, one doesn't focus on how the fire was made before calling the fire department."

Robert Mosbacher, the commerce secretary under Mr. Bush, added: "There is virtually no choice. We must go forward

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# International Herald Tribune World Stock Index @ composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100. World Index Asia/Pacif Approx. weighting: 32% Close: 121.10 Prev.: 113.18 Approx. weighting: 37% Clase: 115,49 Prev.; 115,25 O N Approx. weighting: 26% Close: 86.90 Prev.: 91.69 (\*) • T (\*) 0 D Industrial Sectors

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# **Banks Are Forced** To Rescue Klöckner

Compiled by Our Staff From Disputches structuring plan on Monday, which involves a substantial bailout by its banks and the sale of its farm-equipment unit.

The company said losses and special charges for 1994 and 1995 would total 682 million Deutsche marks (\$450.6 million) and that it has called on its biggest shareholder, Deutsche Bank AG, and other creditors for a hefty cash injection to keep it afloat.

The company said cost-cutting goals were not met last year, and this was the primary factor in 1994's net loss. The failure of cost-reduction measures will "further burden" earnings for the current fiscal year through 1997, it said.

Klaus Edelmann, Klöckner chief finance officer, said the 500 million DM rescue by the Deutsche Bank, Germany's biggest bank, would guarantee the company's future.

The actions of the Deutsche Bank show that our biggest shareholder has faith in KHD's ties house Sal. Oppenheim. future," Mr. Edelmann said.

Compiled by Our Staff From Dupatcher After a meeting with its key BONN — Klöckner-Hum- creditor banks, KHD said it boldt-Deutz AG, the German would sell its farm machinery engine and industrial plant division to Same SpA of Italy, maker, announced a major re- which had pledged to continue to market its products under the name Deutz-Fahr.

Klöckner will write down the value of its capital by half after exercising an already-approved capital increase of 180 million DM. Shareholders will be offered one new Klöckner share at 75 DM apiece for every four old shares held.

Klöckner shares last traded on Friday, when they were suspended from trade until Tuesday morning after plunging 20 percent to 81 marks (\$53.52) in Frankfurt.

Deutsche Bank will write off debts of 150 million DM and underwriting the capital in-crease and 100 million DM worth of bonds.

Other creditor banks include Dresdner Bank AG, Commerzbank AG, Bayernverein, Deutsche Girozentrale Kommunalbank, Westdeutsche Landesbank Girozentrale, DG Bank, Trinkaus & Burkhardt, BHF Bank and private securi-

# Ford Europe Turns Profit, **Ending 3-Year Loss String**

DAVOS. Switzerland — Ford Motor Co.'s operations in Europe turned a profit in 1994 after three consecutive losing years,

Ford Chairman Alex Trotman said Monday. Mr. Trotman said the automaker had made a "decent" profit in Western Europe last year. Its European unit lost \$407 million in 1992 and \$647 million in 1993. Specific figures are to be released

this week along with the parent company's results. Propelled by a strong second quarter, Ford Europe earned \$377 million over the first nine months of 1994, Mr. Trotman said, and Ford's British automaker, Jaguar, a perennial money-loser, turned a profit in the fourth quarter.

Speaking at the World Economic Forum in Switzerland, Mr. Troman said the peso's devaluation crisis would have a "substan-

tial" negative effect on Ford's large Mexico business. He said Ford would not meet its goal of selling 50,000 units in Mexico. "Obviously, vehicles coming from Canada and the U.S. are incredibly high in cost, in peso terms," he said, "so I expect our volume will drop dramatically of the vehicles going south."

(AP, Bloomberg, AFX)

# Mexico's Markets Falter Again

By Lawrence Malkin tional Herald Tribune

NEW YORK - Fears about Mexico's finances and the fate of the U.S. loan guarantees to rescue them sent the peso plunging to a new low Monday, taking Mexico's lar was caught in the back-

Mexico's central bank denied a report in the International Herald Tribune that its reserves had fallen to \$2 billion, but that did little to re-

store confidence.

In Mexico City, the peso fell almost 10 percent. The dollar finished 61.5 centavos higher at 6.35 pesos. Mexico's benchmark Bolsa stock index fell 61.31 points, or 3 percent, to 1,896.34.

The peso has fallen by 45 percent since it was devalued

against the yen and the Deut-

In late New York trading, shares in Teléfonos de México, Mexico's largest publicly traded company, fell more than 6 percent.

All eyes remained on Washington, where the White House was trying to rally supstock market with it. The dol- port for a rescue package that would provide Mexico with \$40 billion in loan guarantees. The crisis will get another

international airing this weekend in Toronto, where finance ministers from the Group of Seven leading industrialized countries have scheduled their regular winter meeting. On Wall Street, some analysts who specialize in Mexico said they thought Germany and Japan would have to come up with larger loans to support Mexico.

News that Mexico was threatening foreign investors at a meeting in Dayos, Switzerland, with locking up their gainst the yen and the Deut-Tesobonos when they mature

in the coming months did not able to sell an Oreo cookie surprise analysis in Mexico down here."

This was seen as a warning of what might happen if the from London: U.S. Congress fails to guaranto shore up Mexico's curren-

One analyst in the Mexican capital who asked not to be al Reserve in its efforts to con-identified said: "If Congress trol inflation. doesn't approve the guaran-tees, the Tesobonos holders bonds for five years, pay no interest for the first year and then pay for the remaining four years. That will mean huge write-downs on Wall

"Then more Americans will in NAFTA, and at that price we can flood America with imports, and they won't be

Erik Ipsen of the Interna-tional Herald Tribune reported

In addition to a sharp fall in tee \$40 billion in foreign loans U.S. exports to Mexico if the peso collapses, analysis also said the Mexican situation would hobble the U.S. Feder-

If, as expected, the Fed raises interest rates by another will be locked in anyway. half a percentage point this Mexico will hold onto the week, that will add to the burden faced by Mexico as it tries to pay interest on its vast dollar debts. By hurting Mexico and the peso, the Fed hurts the dollar.

If, on the other hand, the Fed takes the sensitive appull their money out, and the proach and does not raise peso will collapse to maybe rates. Mexico would be reeight to the dollar, but there's lieved. Currency and bond a difference this time: We're markets, however, would conclude that the Fed had ceased

See PESO, Page 12

# Mexican Business at Peso's Mercy

By Anthony DePalma

New York Times Service MEXICO CITY - The first reports detailing the impact of the peso devalua-tion on businesses in Mexico paint a brutal picture of huge foreign-exchange losses, steep declines in sales and an erosion of confidence so great that even the most ambitious expansion plans are being scuttled.

Wal-Mart Stores Inc., which was gung-ho on Mexico before the peso's devaluation on Dec. 20, announced last week that it had shelved plans to open 24 new stores in Mexico in 1995. "They are temporarily on hold," a Wal-Mart spokesman Gerardo Ruiz, said. "We are monitoring the situation daily."

Ford Motor Co., Daimler Benz AG and Volkswagen AG have also temporarily shut down their Mexican assembly lines to clear inventories that have bailooned since the peso was devalued last. month, and sales have dropped about 40 percent. In that time, the peso has lost 39.65 percent of its value against the

Mexico's largest banks reported foreign exchange losses during the last two weeks of 1994 that were big enough to drag down balance sheets for the entire year. Banamex, the nation's biggest bank, lost \$234 million in the fourth quarter and reduced its total net income to about 17 percent of what it had been

Mexico's biggest companies have also reported enormous losses. Cemex SA, one of the world's largest cement companies, reported \$127 million in foreignexchange losses. The devaluation cost Televisa, the powerful media company, \$142 million.

And the biggest Mexican company of all, Teléfonos de Mexico SA, was hit with a fourth-quarter foreign-exchange loss of \$862 million.

Analysts say that despite such losses, many companies will soften the effect of the devaluation by taking the huge losses on their 1994 taxes.

Still, investor concern about company performance, and worries over the prospects for a \$40 billion package of loan

guarantees from the United States, has depressed the Mexican stock market. Last week, the market dropped more than 5 percent and closed at 1,957.65, its lowest level in nine months.

Inflation is the government's big fear, and the first glimpse of the devaluation's effect shows why. During the first half of January, prices on average rose 2.3 percent, which may not sound like much. But if prices kept increasing at that rate throughout the year, the final compounded figure for 1995 would exceed 70

The government hopes, and economists generally agree, that 2.3 percent should represent the inflationary peak, as businesses responded directly to the devaluation by giving their prices one big

If the government can maintain control in subsequent weeks the rate should decline, although many private economists still think that the official estimate

See VICTIM, Page 12

### Thinking Ahead /Commentary

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# Lift the 'Anomalous' Trade Barriers

By Reginald Dale rai Heraid Tribune

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TASHINGTON --- Are we almost unwittingly lurching toward global free trade? Will the huge regional freetrade areas under construction in Europe, Asia and America turn out to be mere way stations to a world in which free trade becomes virtually universal? Roy MacLaren, Canada's thoughtful

and articulate minister for international trade, believes that the broad answer to these questions is Yes.

Economic barriers are crumbling under the weight of their own contradictions, in the same way that political barriers collapsed after the fall of the Berlin Wall, Mr. MacLaren said in a speech in Toronto this month. What we are witnessing, he said, may be "the birth pangs of a new international economic order a messy, haphazard scramble toward a system of global free trade." As competition intensifies for trade

and investment, "national barriers are becoming so many self-inflicted wounds - a sure way of being isolated from increasingly global investment and production decisions," Mr. MacLaren said. Governments can take little credit for the new order's birth. Trade liberalization is following the powerful forces that are creating the global economy as much as it is leading them.

But are the new regional trade groups building blocks of a more open world trading system or, as some fear, stumbling blocks? There are legitimate anxicties that they will turn inward-looking and confrontational, particularly if world growth falters.

So far, they have been more like domi-noes. The U.S.-Canadian Free Trade Agreement quickly led to the North American Free Trade Agreement. That helped to prod Asian countries into agreeing to trans-Pacific free trade, and that in turn goaded the Europeans into

The idea is to build bridges between the blocs and to avert confrontation.

concluding the Uruguay Round and set-ting up the World Trade Organization. Up to now, regionalism has advanced

overall free trade. But that doesn't mean there will be a seamless progression to global free trade. As Mr. MacLaren readily admits, it is unrealistic to expect all the 100-plus members of the WTO to keep pace with the regional blocs. And bloc members

will not necessarily want to offer everyone else the same trade advantages. Anyway, the American and Asian free trade areas are still on the drawing board. The Mexican peso crisis is likely to slow progress toward free trade in the Western Hemisphere, and prospects for the Asian zone are uncertain.

And one big building block is still missing. With so much going on elsewhere, the continued existence of barriers to trade between North America and Europe "seems incredibly anomalous," Mr. MacLaren said.

He is quite right. Given the similarity of the economies on either side of the Atlantic and the intricate web of investment and technology connecting them, the Atlantic economic relationship could be intensified more quickly and easily than North America's links with Asia or Latin America.

In fact, says Mr. MacLaren, a wide-ranging deal between Europe and North America - covering trade as well as rules for investment and competition could be the core of a new approach in which those countries that wanted to could go ahead faster with liberalization.

Such an approach might resemble, on a wider scale, the "hard core" proposed by Bonn for the European Union - with Europe and North America playing the same economic leadership role at a glob-al level that France and Germany fulfill

in the European Union. The idea would be to build bridges between the blocs and to avert confrontation, Although Mr. MacLaren didn't say so, it happens that North America

would belong to all three blocs.
Unfortunately, some European countries, including France, would not welcome such a plan. But even if global free trade is still far off, it would keep things moving in the right direction.

ECU

# **Bold Sumitomo Move Lifts Tokyo Stocks**

By Paul Blustein

Washington Past Service
TOKYO — The news that one of Japan's biggest banks plans to declare a precedentbreaking loss might sound like grim tidings for the Japanese economy and Tokyo stocks, but the Tokyo exchange gave the plan a ringing endorsement on

The Nikkei stock index rose 3.6 percent, to 18,752.88, in response to the announcement late Friday that Sumitomo Bank would post a 280 billion yen (\$2.81 billion) pretax loss for the year ending March 31. The loss is the first for a major Japanese bank since World

War II. The market's surge Monday reflected the view that the Sumitomo announcement, which came after the close of trading Friday, signals a new and more confident approach by the fi-nancial authorities and the banks to the problems stemming from the collapse in property and stock prices during the

early 1990s. "You might think it's bad

to come to grips with their baddebt problems, writing off their bad loans aggressively, and putting their troubles behind them," said Jason James, strategist at James Capel Pacific Ltd. That's the way the market took it."

Up to now, big Japanese banks have been effectively restrained from declaring losses falling into the red could cause confidence in the banking system to crumble.

Although bank profits have shrunk dramatically since the late 1980s because of write-offs of bad loans, the banks have taken a number of steps to keep their annual profit figures positive. Among these measures is the sale of millions of dollars worth of stocks and real estate on which the banks have earned profits, offsetting the losses on their loan portfolios. So as Monday's market reac-

tion showed, investors have a lot to cheer about now that Sunews, but it implies that Japamitomo has taken the plunge

had previously estimated a \$600 analysts said a change in Finouncement that it would take an extra \$3 billion in provisions

because of pressure from the low suit.

Ministry of Finance, which fears that news of large banks the banks but for the market in "It's good news not just for yen. general," said Alexander Kinmont, strategist at the Tokyo office of Morgan Stanley & Co.
"Up to now, if a bank wanted to write down its loans, it had to sell equities or other assets, and that link has now been broken. For the stock market it's a very

favorable change in the supply and demand situation." just a shade below where it did before its 5.6 percent plunge on Jan. 23. That drop was widely attributed to a deepening in

western Japan. The biggest winners in Mon- up 7 percent, to 121.10.

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for bad loans beyond the \$5

billion it had already planned.

Other banks are expected to fol-

nese banks are finally starting and declared its readiness to day's trading included banking, post an annual loss. The bank real estate and brokerage shares, as well as construction million profit for the year, but firms, which are expected to profit from the rebuilding of nance Ministry policy was Kobe and other quake-stricken clearly behind the bank's an-cities.

Sumitomo Bank rose 270 ven to 1,880 yen, leading the financial issues higher. Mitsubishi Bank added 280 yen to finish at 2,370 yen, while Nomura Securities was up 120 yen at 1,900

Moody's Investors Service inc. on Monday upheld its A-i rating on senior debt of Sumitomo, while the Japan Bond Research Institute did likewise for its AA-plus rating.

"Both the scale of Sumitomo's asset quality problems and the likelihood of large eventual credit losses have been incorpo-The Nikkei index now stands rated into its ratings," Moody's said in upholding the rating af-fecting \$2.8 billion of long-term

The rise in Tokyo prices pessimism over the economic helped push the Asia compo-impact of the earthquake in nent of the International Herald Tribune World Stock Index

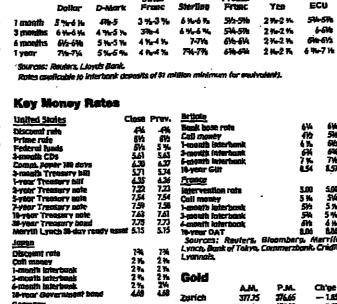
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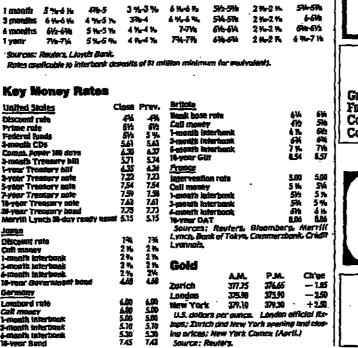
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Herald Eribune

Dow Jones Averages

121 J 191 J 1305 B

NYSE Indexes

NASDAQ indexes

AMEX Stock Index

NYSE Diary

**AMEX Diary** 

NASDAQ Diary

Spot Commodities

192.76 1500.00 192.72 151.27 1306.00 1296.40

54.8 59.7 522 - 24 54.8 59.7 32.2 - 24 57.7 32.7 32.7 32.2 - 4.3 18.3 19.3 19.4 - 9.5 18.3 19.3 19.4 - 9.5 18.3 47.5 48.5 - 1.8 18.3 47.5 48.5 - 1.8

751.91 254.02 754.91 -0.98 791.12 719.90 719.92 -1.35 791.12 719.90 719.92 -1.35 791.12 728.34 728.46 -2.54 794.80 285.70 285.95 -0.85 284.80 284.13 284.85 -0.72

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**EUROPEAN FUTURES** 

Financial

3 MONTH EURODOLLARS (LIFFE) 11 million - pts of 160 pcf

BRENT CRUDE OIL (IPE)

Stock Indexes

IRREGULAR

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Compiled by Our Stuff From Dispatches NEW YORK — Stocks fell Monday amid concern a Mexican aid package would not pass Congress and expectations the Federal Reserve Board's policymakers will raise interest rates this week, traders said.

Doubts about the plan's passage hurt U.S. stocks and its currency because Mexico is the

### U.S. Stocks

third-largest U.S. trading part-ner and is a magnet for billions of U.S. investment dollars in recent years, traders said. The Dow Jones industrial average closed 25.91 points lower, at 3.832.08.

Declining issues led advances by a 7-to-4 ratio on the New York Stock Exchange, where volume was 322 million shares. The benchmark 30-year Treasury bond lost 9/32, to 97 1/32, to yield 7.75 percent, up from 7.73 percent on Friday Mexican stocks suffered on

the rescue plan's outlook. Telefonos de México's American depositary receipts were the most active NYSE issue and closed 2% lower, at 30%. Compania de Teléfonos de Chile's

ADRs were the second most active NYSE issue and fell 31/2, The Dow

Daily closings of the

3700

Dow Jones Industrial average

JASONDJ

NYSE Most Actives

**NASDAQ Most Actives** 

**AMEX Most Actives** 

Market Sales

32% 17% 69% 17% 11% 28% 11% 31% 17% 41% 17% 41% 17%

10 8% 46% 45% 14% 14% 14% 14% 14% 11% 11% 11% 16 46% 21% 21%

Compounding concern about Mexico are expectations the Fed will raise interest rates when it meets Tuesday and Wednesday. Many economists expect the Federal Open Market Committee to raise rates.

Shares of aluminum, chemical, paper and steel companies, the so-called cyclical stocks, led the retreat.

Alcoa lost 3, to 771/2, and International Paper fell 2%, to 70%. DuPont fell 11/2, to 53, because the company faces more lawsuits stemming from its Benlate fungicide, according to

Automakers also slid, with Ford losing 1/2, to 24%, and General Motors falling 1/8, to 37%.

But companies in consumerproducts areas such as food and drugs, whose profits are perceived to be stable in good times and bad, were among the biggest gainers. Bristol-Myers Squibb rose ¾, to 60%, American Home Products rose 12, to 68%, and Procter & Gamble rose 11/8, to 65%. (AP, Reuters, Bloomberg)

# PESO: Mexico's Woes Hit Dollar

#### Continued from Page 11

to tailor its policies to fit domestic needs and in so doing was risking higher inflation. Traders would use that as an excuse to dump dollars.

"The Fed is caught between a rock and a hard place," said Michael Burke, a currency economist with Chemical Bank

#### Foreign Exchange

in London. "If the Fed hikes interest rates, that is negative for Mexico and for the dollar: and if they don't, it means that policy is not geared to domestic conditions and that too is bad for the dollar.

A second rationale for the linked fates of the dollar and peso concerns economic growth. Some economists fear that a Mexican default could severely dent economic growth not just in Mexico or Latin America, but in many of the emerging markets around the fewer American exports

■ Dollar Hits 3-Month Low The dollar fell to a threemonth low against the mark Monday as investors worried that the U.S. Congress will not pass a \$40 billion loan-guarantee package to help stabilize Mexico's financial markets. Bloomberg Business News reported from New York.

As the peso fell further against the dollar, investors were concerned that Mexican inflation would soar and U.S. exports to Mexico would slow. Traders said North American currencies were being sold for the perceived security of the

mark and the Swiss franc. The dollar fell to 1.5053 DM from 1.5150 DM on Friday. and to 98.435 yen from 99.375. It also fell to 1.2675 Swiss francs from 1.2736 francs and to 5.2240 French francs from 5.2595. The pound rose to \$1.5950 from \$1.5895.

Concern over Mexico has hit the dollar even though the market generally expects the U.S. world. Less growth in the Federal Reserve to raise interest emerging markets, according to rates, probably by half a per-

Continued from Page 11 of 19 percent annual inflation is

optimistic. One way the government controls inflation is through an agreement with labor and business to limit wage and price increases. Minimum wages, which are set by the government, were allowed to rise 7 percent, plus a tax rebate of 3 percent for workers with the

The 7 percent minimum-wage agreed to a wage increase of

cannot control union wages. Nissan Motor Co. plant in which companies negotiate Aguascalientes, 260 miles with the workers at each plant northwest of Mexico City, increase is only used as a guide-line. Many analysts fear that as prices soar, pressure will build the recovery plan will work," to raise contract wages just as said Santiago Onate Laborde, much.

industrials

Last Settle

-- 0.02 Unch + 0.02

VICTIM: The Peso's Crisis Is Wreaking Havoc on Businesses in Mexico the Confederation of Mexican Workers says that at least two small businesses have been closing each day since the peso was devalued. Volkswagen is reported ready to lay off 1,400 administrative workers.

Jonathan Heath, an economist in Mexico City, said the biggest effect on businesses has Official unemployment fig- been the deep uncertainty left U.S./AT THE CLOSE

# Dow Chemical's Marion Unit Climbs

KANSAS CITY, Missouri (Bloomberg) — Marion Merrell Dow Inc. shares closed up 75 cents, at \$24.75, Monday after rising as much as \$1.275 and now speculation that the German chemias much as \$1.375 annd new speculation that the German chemical company Hoechst AG was close to buying the drug maker. Analysts have speculated since last summer that Dow Chemical Corp. wants to sell its 71 percent stake in Marion Merrell Dow as sales of some of its leading drugs have been eroded by competition from generic products.

# USX Says Its Profit Nearly Tripled

PTTTSBURGH (Bloomberg) — USX-U.S. Steel Group said Monday that its fourth-quarter profit nearly tripled, helping the largest U.S. steelmaker post its first annual profit since 1990. USX-U.S. Steel had fourth-quarter net income of \$90 million.

A year earlier, profit from operations was \$31 million.

A year earlier, profit from operations was \$31 million.

For 1994, USX-US. Steel's profit, including a special gain, rose to \$201 million. It had a \$36 million profit from operations in 1993, before charges that regulated in a net loss of \$232 million. 1993, before charges that resulted in a net loss of \$238 million.

The company's stock closed down \$1.50, at \$32.

# Mobil Will Raise Spending in '95

FAIRFAX, Virginia, (Bloomberg) — Mobil Corp. said Monday it would increase its 1995 capital spending budget by 8 parcent to \$4.1 billion from the \$3.8 billion it set aside for 1994. The oil and gas company said it expected spending for exploration and production to be about \$2.4 billion for 1995, up from \$2.2 billion in 1994.

"The 1995 spending reflects continued optimism about attractive growth opportunities around the world, while continuing to maintain a strong balance sheet," Chairman Lucio Noto said.

# High Expenses Crimp GM Hughes

LOS ANGELES (Bloomberg) GM Hughes Electronics Corp. said Monday that its fourth-quarter earnings fell 8.4 percent, largely due to heavy operating expenses by its telecommunica-

tions and space unit.

GM Hughes Electronics, a unit of General Motors Corp., said net income fell to \$224.7 million, from \$245.3 million in the like quarter a year ago. Revenue fell 2.1 percent to \$2.62 billion.

The end of some military contracts contributed to an 8.5 percent drop in defense revenue and contracts are supplied to the second contributed to the second drop in defense revenue and contracts. cent drop in defense revenue, and operating profit in telecommunications was down dramatically because of increased operating expenses associated with the introduction of DirecTV, a direct-to-home, 150-channel satellite broadcast service.

# Coram Acquiring a Caremark Unit

DENVER (Bloomberg) — Coram Healthcare Corp. said Monday that it will become the nation's largest home health-care company by acquiring Caremark International Inc.'s home-infusion unit for about \$310 million in cash and securities. Coram will pay \$210 million in cash and \$100 million subordinated debt for the Caremark unit, which provides intravenous

nated debt for the Caremark unit, which provides intravenous drugs and nutritional products to patients at home.

Coram shares closed up \$1.125, at \$21.75, while Caremark stock fell 37.5 cents, to \$16.50.

# Chase Emerging-Market Trader Quits

NEW YORK (Bloomberg) — Chase Manhattan Corp. said its head emerging markets trader, Joseph W. Boyle, would resign after seeing his business battered last year by rising interest rates and a financial crisis in Marion and a financial crisis in Mexico.

Chase Manhattan said trading losses in the emerging markets

played a part in a 27 percent decline in fourth-quarter earnings, as a December slide in the Mexican peso hurt profits.

### **Weekend Box Office**

The Associated Press LOS ANGELES - "Legends of the Fall" dominated the U.S. box office again with a gross of \$6.6 million over the weekend. Following are the Top 10 moneymakers, based on Friday ticket sales and estimated sales for Saturday and Sunday.

1. "Legends of the Foll"
2. "Highlander": Final Dir 1. "Dumb and Dumber"
4. "Nobody's Fool" (New Line Cinema) (Postmount) (Columbia) (Yearner Brothers) 4. "Higher Learning" 6. "Harder in the First"

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#### tracts to be renegonated after the devaluation left government officials smiling. The several thousand union workers at the this argument, would mean centage point, at its Federal fewer American exports and Open Market Committee meetlowest incomes. Low Chase Cing Coulet ing Tuesday and Wednesday. **WORLD STOCK MARKETS** 12.50 12.10.00 % Ext. sizes 12.774, 550 of 1802 COCOA (NCSE) 17.774, 550 of 1802 COCOA (NCSE) 17.74, 550 of 1802 COCOA (NCSE) +0.35 10.894 +0.10 3.489 +0.05 797 2.652 +0.45 +0.50 +0.50 | 18.20 | 16.59 | Lon | 16. | | 18.20 | 18.55 | Mark | 16. | | 18.20 | N.A. Fri's ode | 1.645 | | Fri's open int | 25,465 | off | 07 | | Metuls | | Metuls | Mark | 18. | 18. | 18. | 18. | 18. | | Metuls | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | 18. | g: x 100. 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We regret the inconvenience. -0.15 7.288 -0.22 16.564 -0.25 7.895 -0.46 1,880 -0.35 2.875 -0.37 1,825 -0.17 662 -0.20 135 44 44 44 47 47 47 48 48 48 48 London Abbey Not's All Allied Lyots S.10 Arlo Wileyins 2.76 Argyll Group 2.77 BAA 4.61 BAA 4.65 Bank Scotland 2.16 Barclay 3.17 BAT 1.07 BBT Circle 7.11 BBOT Group 7.11 BBOT Group 8.11 BOT Got 4.12 BT All Gas 1.07 BT Ges 1.07 BT Ges 1.07 BT Ges 1.07 BT Collewire 1.07 Control Wirel 1.07 Control W TSE 388 Index; 3797 JR Previous: - 64428 Adio Int B 202 Alusuisse B new 673 BBC Brent Bov 9 1127 Cho Gefev B 756 Cs Holdines B 766 Elektrow B 1465 Interdiscount B 1469 Interdiscount B 1469 Index 1576 Anoverpick B 1770 Derük, Buente R 1279 Portusa Hid B 1770 Roche Hid PC 6775 Sotra Resubtic 8775 Sotra Res 000 000 000 000 000 000 000 000 000 000 000 000

# **Dutch Banker:** 'No Chance' for EMU by 1997

generation before becoming the

EU's sole currency. While mon-

etary union might be possible by 1999, he added, "then there

will be important political ques-

tions. In 1999, there will be but

a simple majority meeting the

Politicians who want the Eu-

ropean currency unit to totally

replace national currencies

within six months after mone-

tary union are fooling them-

The Dutch banker's remarks,

made in an interview with the French daily Le Monde, were similar to opinions recently voiced by Hans Tietmeyer,

president of the Bundesbank,

and by Alexandre Lamfalussy,

president of the European

Monetary Institute, the nascent

Meanwhile, Mr. Tietmeyer

suggested that a lasting EU cur-

rency union would require even

greater political union than that

envisaged by the Maastricht Treaty. "A currency union

which is supposed to be perma-nent must be embedded in a

broad political union," he said

But Jean-Luc Dehaene, Bel-

gium's prime minister, said

Monday it was essential for Eu-

ropean monetary union to be

Mr. Dehaene said he believed

EU states would maintain the

current 15 percent fluctuation

bands in the exchange rate

mechanism of the European

make European union irrevers-

ible is to have monetary union.

"If we miss the rendezvous at

the beginning of 1997, the risk

that it may be delayed a long

way beyond that is real."
(AP, AFP, AFX, Knight-Ridder)

in a speech in Hamburg.

European central bank.

selves, he said.

PARIS — Wim Duisenberg, the Dutch central bank chief, said Monday that the odds for monetary union being achieved by 1997 were virtually nil.

There is no chance the Maastricht criteria can be met criteria. It's not as easy as some in a majority of countries within two years." he said. "Germany should meet them, along with the Netherlands, Luxembourg, Austria and perhaps France, but that won't be enough.

Mr. Duisenberg also said that a single European currency should coexist alongside na-tional currencies for at least a

#### Russian Rejects Talk of Fixing Ruble's Rate

Compiled by Our Staff From Dispatches DAVOS, Switzerland -Moscow has no plans to adopt a fixed parity for the ruble, Economics Minister Yevgeni Yasin said Monday, torpedoing a deputy prime minister's comments.

Mr. Tietmeyer also said it was vital that "credible and ir-"The government has no reversible contours for further political links become visible" such plans," Mr. Yasin said, "and no intention to when EU member governments meet at a major conference in take such action." Speaking at the World

Economic Forum in Davos, Mr. Yasin said fixing the rate of the ruble could be done only in a period of stability. The government can take steps "to support the ruble value up to a certain level," he said, "and that's all."

Mr. Yasin was commenting on a weekend statement by Deputy Prime Minister Anatoli B. Chubais that his team and the government were examining the possi-bility of fixing the ruble's rate. Mr. Chubais expanded on his comments Monday, saying that the idea of a fixed rate was for the medium rather than short term. (AFP, Knight-Ridder)

# German Laws Clog Entrepreneur

By Brandon Mitchener tional Herald Tribune

FRANKFURT -- In 1993, when Russ Elliott bought the European rights to sell First Defense pepper spray, he thought he had struck red gold.

Self-defense sprays based on cayenne pepper, an all-natural alternative to chemical sprays such as Mace, were all the rage in the United States and bound to catch on abroad, he reasoned. First Defense is selling well in Switzerland and will soon be sold in France.

But two years later and 500,000 Deut-sche marks (\$330,000) poorer, Mr. Elliott is still without a license to make or sell the spray in Germany.

In addition to being a lesson in endurance, Mr. Elliott said his experience might be instructive to others wondering whether Germany has reduced the regulatory burden that has made it a relatively mattractive place to test or invest in new products.

Mr. Elliot said he was exasperated by bureaucratic demands that his partner calls "Kafkaesque" and that Hans Damm, an official at the new technologies laboratory of the German police academy, called "insane."

"The entire system is ludicrous." Mr. Elliott said. "We're still looking at producing it in Europe, but we're now looking further afield than Germany because of this. We're slowly giving up the idea of

The U.S. Embassy, after hearing Mr. Elliott's complaints for two years, last week agreed that the German laws were an impediment to trade and filed an official letter of protest.

House PLC, a construction and

transportation conglomerate,

and Northern Electric PLC, the

utility Trafalgar is trying to take

over, traded insults Monday in

attempts to sway Northern

Trafalgar, which is part of the Hong Kong-based Jardine

Matheson group, said in a letter to shareholders that Northern

Electric's record since it was

privatized had been one of "in-

different cost control and rela-

tively high tariff increases for

Northern is urging share-holders to reject the £1.2 billion

(\$2 billion) cash and stock bid

that Trafalgar announced in

Electric shareholders.

domestic customers."

A German Interior Ministry official,

who spoke on condition of anonymity, said Defense Technology Corp. was the first company to apply to sell a repellent that required onerous tests, and he insisted the government was looking for some

way around its own laws.

"We'd like to help, but we keep running up against a wall," he said. First Defense, manufactured by Defense Technology of Casper, Wyoming.

Russ Elliott said his experience might be instructive to others wondering whether Germany has reduced its regulatory burden.

is one of the most successful commercial pepper sprays sold in the world.

Mr. Elliott estimated the market for his type of product at \$20 million to \$25 million a year in Germany and \$130 million to \$140 million in Europe.

In the United States, Defense Tech-nologies said it expected to sell \$30 million of its products for U.S. civilian, military and law enforcement use this year and estimated the U.S. market for all pepper spray products to be about

00 million a year. In the United States, it is used by 4,500 police departments and the Federal Bu-

value of Trafalgar House's offer market through a Monopolies

Northern's board appeared to British electricity distribution be confused about whether the network and is owned by the 12

reau of Investigation, as well as ordinary

The pepper sprays, capable of incapacitating an attacker in seconds without long-term side effects, according to the company and an international police assocation, are classified as a foodstuff. Mr. Elliott demonstrated the safety of the product by using a squirt of First Defense in a Bloody Mary cocktail and drinking it.

"In most U.S. states you can buy it in a Wal-Mart." he said. "There's nothing in it that can hurt you."

But in Germany, any spray intended for use against a human is classified as a weapon and must be tested on animals before it can be sold to the public - yet a separate German law, passed in 1987, forbids testing of weapons on animals.

The only German authority allowed to pass judgment on new chemical sprays, the Fraunhofer Institut in Schmallenberg, is incapable of doing the tests be-cause of the 1987 law, and it would break the law if it commissioned tests anywhere else, according to the lab's director, Werner Klein.

Mr. Damm said, "I won't give my recommendation on pepper spray until we know what the deadly dosage is." German law requires that the "fatal dosage" be at least 100 times the "effective

Fred Prase, a former German police commissioner who is Mr. Elliott's partner, said other companies selling pepper-spray products for use against dogs in Germany made much of their money selling Macetype chemical repellents for use against humans and have an interest in seeing potential competitors stymied.

#### Hochtief Happy With 1994 Profit

Compiled by Our Staff From Dispatches ESSEN, Germany -- Hochtief AG, which is embroiled in a takeover battle for Philipp Holzmann AG, said Monday its earnings for 1994 were satis-

The building concern said output, which included sales and a portion of long-term projects booked during the year, rose 30 percent, to 10.5 billion

falgar House was "attempting to buy Northern Electric cheap-Deutsche marks (\$7 billion). ly before the flotation of Na-tional Grid." Hochtief, part of the energy group RWE AG, said final fig-

ures would be released in May. The company is seeking con-trol of Holzmann, but regulaines PLC, which operates the British electricity distribution tors vetoed the bid last week, saying it could lead to concentration in the market for projects worth 50 million DM or

Paris. London **CAC 40** FISE 100 Index HMH **3200** —/ 2100 1900 A'S O N D J Exchange Monday Change 412,46 -0.15 Amsterdam AEX 411.85 Brussels -Stock Index 7.075.45 +0.02 7.076.66 Frankfurt DAX 2.035.03 2.031.70 +0,16 Frankfurt FAZ 761,17 759.27 +0.25 Helsinki HEX -1.825.46 1.832.83 -0.35 London Financial Times 30. 2,263,50 2,283.70 -0.88 London FISE 100 2,995,90 3,022.20 -0,87 Madrid General Index 281.65 282.70 -0.37 Milan MIBTEL 10595 10622. -D.25 Paris CAC 40 -0.04 1,814.13 Stockhola SX 16 1,579.48 1,587.65 -0.51 -0.09 991.57 992.47 SBS 896.33 898.40--0.23 Zurich

Investor's Europe

#### Very briefly:

 Cadbury Schweppes PLC has secured a \$2.4 billion loan from Midland Bank PLC and Toronto-Dominion Bank for the \$1.7 billion purchase of Dr Pepper/Seven-Up Cos., bank sources said

 Alusuisse-Lonza Holding AG's chief executive, Theodor Tschopp, said he expected higher sales to more than double 1994's profit from the 83 million Swiss francs (\$65 million) in 1993.

 BAA PLC, which runs services at British airports, reported a 12 percent jump in nine-month pretax profit, to £328 million (\$518 million), as passenger traffic increased and as income from retailing and property at the airports rose.

• Schneider SA said 1994 results could be slightly above earlier indications and a significant increase in earnings is expected in 1995. The French industrial company reported a profit of 405 million francs in 1993, up 33 percent.

Ascom Holding AG, a Swiss telecommunications company, said it would sell its hearing-aids business, Ascom Andiosys AG, to Oticon Holding AS of Denmark.

 Sweden plans to float shares of the state-owned bank Nordbanken AB before Easter, according to a report. Readers, AFX, AFP,

#### **Ex-Chief of Spanish Bank Is Freed**

Compiled by Our Staff From Dispatche

MADRID - A court ordered Mario Conde, the former chairman of Banco Español de Crédito-Banesto SA, released from jail Monday on bail set at 2 billion pesetas (\$15.2 million).

Mr. Conde had been in custody for five weeks on charges of fraud and misappropriation of 7 billion pesetas. The Bank of Spain ousted him as chairman after estimating that Banesto's balance sheet had a 605 billion peseta shortfall. Banesto was taken

over by Banco Santander SA in an auction in April 1994. The court also ordered the release of Mr. Conde's former more. Hochtief plans an appeal. managing director, Arturo Romani, on bail of 1 billion pesetas (Reuters, Bloomberg) He also faces fraud charges. (Reuters, AFX

#### "I think it is essential because, on the one hand, it is my conviction that the only way to

established in 1997.

Monetary System.

NYSE Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press Div Yist PE 1005 High LowLodesi Chige

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Trafalgar-Northern: Battle of Barbs

LONDON — Trafalgar had declined in value over the Commission intervention," he ouse PLC, a construction and last three weeks from £10.71 to said. "The rest of the time they

£10.38 a share, reflecting a fall

in the value of the Trafalgar

House convertible preference

shares below the price at which

had occurred despite the fact that Hong Kong Land Co.,

which owns 25.6 percent of Tra-

falgar, had purchased more

than 8 million of the preference

shares since the takeover battle

Nigel Rich, Trafalgar's chief executive, said in the letter that

company was in the private or

"Part of the time they lobby

Northern said the fall in price

they were issued.

public sector.

Northern Electric said the for protection from the free

side competition.

will be deregulated by the beginning of 1998. This will also

generating profit estimated as high as \$30 a telephone line And there are good reasons for the rush of interest in Ger-

many, which offers the world's third-largest market for telecommunications, after the United States and Japan.

# Partnerships Gear Up to Compete With Deutsche Telekom

By Nathaniel C. Nash New York Times Service

enjoy the freedom of private

Britain's Office of Fair Trad-

ing is reviewing the bid to see whether it should be referred to

the Monopolies and Mergers

Northern Electric said Tra-

Northern Electric owns 6.5

percent of National Grid Hold-

English and Welsh electric utili-

ties. It is expected to be publicly

(Reuters, AFX)

FRANKFURT -- With Germany's telephone service scheduled for deregulation by 1998, just about everyone who is anyone in telecommunications wants a piece of the German information superhighway

This month, BellSouth Corp., a U.S. regional telephone company, said it was forming a partnership with Thyssen AG. the German steel company, to compete with Deutsche Telekom, the state monopoly, and Northern Telecom Ltd. of Canada has teamed up with Daimler-Benz Aerospace.

British Telecommunications PLC, meanwhile, has announced a joint venture with the German utility Viag AG to provide voice and data transmission to corporations. And Cable & Wireless PLC of Brit-ain is joining with Veba AG, another German electric utility. on a telephone joint venture. Veba announced Thursday

that it would acquire as much as 10.5 percent of Cable & Wireless for about \$1.5 billion as part of the deal. The basic strategy is for loreign telecommunications companies to ally themselves with big German partners who can

offer assets plus access to customers in Germany, while the foreign partner provides the technology and operating skill. "All the major players are looking at Germany now," said Hans Peter Peters, managing director of Morgan Stanley's office in Frankfurt. "The rush is on to see who will get a joint

venture going first and then

hope that the German government will give them a license to set up a telephone system." The race in Germany reflects growing competition throughout the Continent, where European Union rules have mandat-The most actively sought parted that all telephone business

open other big markets in France, Italy and Spain to out-Indeed, analysts say telecommunications is the most lucrative industrial sector in Europe. "Basically, the utilities will be

according to industry and anaoverall German market is growing by 7 percent a year, annual growth in the former East Germany has reached 26 percent.

market, Germany can be seen as underdeveloped. Deutsche mobile phone system in Germa-Telekom has trailed its freemarket counterparts in Britain and the United States by as economy in Western Europe.

The idea is for foreign companies to join with big German partners who can offer assets and access to local customers, with the foreign partner providing the technology and operating skill.

telephone systems, in addition aim of providing corporate netto four that now exist. And beginning in 1998, or possibly sooner, the government will lift Deutsche Telekom's monopoly on consumer telephone service, throwing the field open to com-

More than a dozen joint ventures have been formed in Germany, with planned investment of more than \$12 billion over the next few years. The American players include MCI Communications

Corp., Sprint Corp. and some regional telephone companies. AT&T Corp. and GTE Corp., two of the largest American telephone giants, have been silent so far but appear certain to enter the market. AT&T is said by industry officials to be nego-tiating with Veba.

ners have been Germany's giant utilities. This is because companies such as Veba, Viag and RWE AG, which own the country's three largest electric utilities, have installed vast electrical-distribution grids that can be used to carry fiber-optic cable into millions of German bornes.

the big beneficiaries over the next few years," said Bernd Janssen, an analyst with the Union Bank of Switzerland. "They have all the cables currently in place, so their cost is United States and Japan. greatly reduced. Moreover, they What is now a \$40 billion have experience dealing with

ing dynamics of telecommunilyst projections. And while the cations, spending large amounts of money and waiting a long time for the return." Veba, through its Vebacom

subsidiary, has formed seven As a telecommunications telecommunications ventures, It owns 28 percent of the E-plus ny with BellSouth, Thyssen and

Vodafone PLC of Britain. RWE has the largest corpomuch as eight years, some say. rate client base because it oper-This has left a big technology ates in the heavily industrialized gap to be filled in the largest Ruhr and Rhine Valley regions. It has teamed up with Mannes-The German government has mann AG, the engineering and announced it will award li-telecommunications concern.

censes for a number of mobile and Deutsche Bank AG with the work communications. Viag, a latecomer that an-

nounced plans to team up with British Telecom last week, will use not only its Bavarian customer base but also more than 2,400 miles of high-power trans-mission lines around Germany. These upstarts in telecommunications will be facing

Deutsche Telekom, which has teamed up with France Telecom and Sprint in a venture that could create one of the world's largest telecommunications networks. While much of the interest

has focused on the end of 1997, when Deutsche Telekom loses its monopoly on consumer voice service, the more immediate prize is the license to offer corporate network telecommunications, which are not under monopoly control, through a cellular phone system.

Once businesses are operating a corporate network, analysts say, they may find a legal way to get around the existing ban on offering consumer service.

But the government of Chancellor Helmut Kohl, which has German government's plan not generally embraced privatizato introduce legislation until the tion and open markets, has hint- second half of next year was ed that it might end Deutsche unacceptable. Telekom's monopoly sooner.

for its own privatization. Next Paellmann said.

annual business will grow to almost \$70 billion in eight years, and they are used to the invest-sell as much as \$10 billion in Deutsche Telekom stock, with another sale of an equal amount in 1997 or 1998.

All this should give competitors some breathing room in the market.

"Prices to consumers are quite high in Germany," said a telecommunications analyst in London, who asked not to be named. He added: "And Deutsche Telekom's costs from investments and excessive employment are so high that it has little room for bringing them down. That means any entrants will find they will not get in big price wars, and their return on

investment will be faster." Still the race may be won by the leanest contender, and if the telecommunications market opens early, Deutsche Telekom might not be ready to compete. Its rotary dialing technology is a source of German jokes, and the company still cannot itemize long-distance charges.

But the government, while moving toward faster deregulation, has also sent conflicting signals about how much it will stay

involved in Deutsche Telekom. Of 10 new directors recently named to the company's board by the government, half were political appointees. The resignation of Deutsche Telekom's chief executive, Helmut Ricke, three days later caused rumors that he was fed up with political meddling, particularly by the minister of postal services and telecommunications, Wolfgang

But would-be investors have not been deterred. This is a market you have to be involved with," Mr. Peters said. "It's too big to stay away."

■ Float May Be Postponed Deutsche Telekom might have to postpone its partial privatization unless the government moves faster to adopt new

regulations, a top executive was quoted as saying in a Reuters report from Bonn. Wilhelm Paellmann, acting chairman of Telekom's management board, told the business daily Handelsblatt that the

"We will have to postpone Analysis predict that Deut- the flotation if there really is sche Telekom will be preoccu- not clarity before then about pied with trimming as many as what kind of licenses, how 30,000 employees, improving many licenses and to whom its technology and preparing they will be awarded," Mr.

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ASIA/PACIFIC

# China Defends Its Rocket $\it U.S.-Built\ TV\ Satellite\ Is\ Blamed\ for\ Failure$

Bloomberg Business News

BEIJING — A state-owned Chinese news agency has blamed a U.S.-built television satellite for a midair explosion last week that destroyed the Chinese-made rocket that was carrying it and killed six people nant STAR-TV network in Asia on the ground.

The Apstar-2 satellite, built by Hughes Aircraft Co. of the United States and owned by APT Satellite of Hong Kong, was riding atop a Long March 2E rocket built by China Great Wall Industry Corp. An explosion shortly after liftoff scattered debris near the Xichang launch site in the southwestern Chinese province of Sichuan.

The China News Service said Monday that one of its reporters had "clearly" pinpointed the start of the explosion by using a slow-motion video replay.

"The video clearly shows that, about 50 seconds after liftoff, the satellite portion on top of the rocket caught fire first. and that spread to the first and second stages of the rocket," the agency said.

A Great Wall official told the agency the launch failure would

Fokker Talking in Asia

On New Aircraft Project

AMSTERDAM -- The Dutch aircraft maker Fokker NV

said Monday that it was holding "preliminary talks" with

A spokesman, Leo Stein, said the company was in the early

stages of negotiations with companies in "six or seven Asian

countries" on developing the plane, which would replace Fokker's F-70 and F-100 models in the next decade.

He said the company would decide whether to conduct a

We're still at the start of the trajectory," Mr. Stein said.

He denied German and Dutch reports that the aircraft maker

had received huge orders from a Chinese state airline, calling

them "pure speculation." But he did not deny that an agree-

ment on developing a plane in Asia could lead to such a bonanza, saying only that such orders were still a long way off.

technical feasibility study for the project only after receiving

the results of a business opportunity study around late March.

companies in Asia on developing a new 120-seat aircraft.

launch 30 satellites for foreign coincide with the separation of companies by 2000.

Apstar-2 would have enabled et's various stages. It said that cable-television broadcasters, including many from the United States, to compete directly with Rupert Murdoch's domi-

and the Pacific.

The crash prompted another about half the cost of European company, Asia Satellite Telecommunications Co., also based in Hong Kong, to consider postponing a satellite launch slated to use the same Chinese rocket.

Chen Jay-Chung, a former aerospace engineer for NASA, the U.S. national space agency, said that what had happened was still unclear.

China blamed Hughes Air-craft in December 1992 when a similar launch resulted in the loss of a Hughes-built satellite Arianespace, a European conin space. A joint investigation sortium.

ended without conclusion. Hughes Aircraft is a unit of istries were unavailable for com-GM Hughes Electronics, a sub- ment Monday because of the sidiary of the U.S. giant Gener- Chinese New Year holiday. al Motors Corp. Hughes said it was preparing a statement on the mishap.

The news agency said the ternational, Turner Broadcastrocket was not likely to have ing Systems, Viacom Inc., the been at fault in last week's mis- Discovery Channel and ESPN not affect China's contracts to hap, as the explosion did not sports television.

## U.S. Says Dairy Sales Won't Violate Pact

WELLINGTON - U.S. Deputy Secretary of State Strobe Talbott said Monday that Washington had tried hard to take into account other countries' concerns over its sale of heavily subsidized dairy products to Asia and Latin America.

"The American government," he said, "has made a real effort to take full account of the concerns of New Zealand and, I might say, some other free-trading countries, in order to minimize the impact of this measure.

He added, "You can count on the United States to be very careful, as we move forward in implementing this measure, to do so in a way that's fully consistent with GATT," or the General Agreement on Tariffs and Trade.

He said new trade agreements reached under the auspices of GATT would 'level the playing field and reduce and, we hope of course, ultimately eliminate these kinds of export subsidies." After this happens, he said, "the issue will no

Mr. Talbott, on a visit to Wellington, said Foreign Minister Don McKinnon of New Zealand had raised the subject in initial discussions even before the two men began their main talks. But Mr. McKinnon has said he does not consider the matter a major issue.

The Department of Agriculture has allowed the export of as much as 158,000 tons of subsidized dairy products -the bulk of it milk powder - to Asia and Latin America until June 1. Some 22,000 tons are destined for Southeast Asian countries that are important New Zealand markets.

Farmers and the New Zealand Dairy Board have attacked what they see as U.S. dumping. Agriculture Minister John Falloon has called the U.S. action hypocritical.

But a deputy U.S. secretary of agriculture, Richard Rominger, said earlier of the Latin American and Asian sales. "if these markets have been growing, we would want our growers to have a chance there as well."

# Shangri-La Asia Will Buy 5 Hotels

Bloomberg Business News

HONG KONG - Shangri-La Asia Ltd., a huxury-hotel company controlled by the Malaysian businessman Robert Kuok, said Monday it planned to buy five hotels in the Philippines and Fiji and a 20 percent stake in a sixth in Indonesia for a total of 4.16 billion Hong Kong dollars (\$538 million).

the booster rockets or the rock-

the Long March 2E was "tech-nologically advanced and its

Chinese Long March rockets

have launched six satellites for

foreign clients since 1990 at

China's competitors have also

had unsuccessful forays. In Sep-

tember, a satellite launched for

AT&T Corp. by a West Europe-

an Ariane rocket was lost after

And in December, another

Ariane rocket sent a U.S. tele-

communications satellite plung-

ing into the Atlantic Ocean after

its third stage malfunctioned. The rockets had been built by

Chinese companies and min-

Television broadcasters that

had planned to use the Apstar-2

included Hong Kong's TVB In-

quality is reliable."

and U.S. launchers.

going into orbit.

The hotels, including the 703-Shangri-La's parent company, the Kuok Group, its associates and other shareholders.

Shangri-La Asia, which currently has investments in nine

represents 39 percent of its ex- In the longer term, he added, isting share capital. In the longer term, he added, the transaction should enhance

dollars. Investors were said to kets concerned. be concerned that the latest Ms. Fokstuen said the purpurchases might slow the com- chase price was about 13 perpany's expansion in the boom- cent less than the appraised val-

gri-La as a China play have sud- on sales of hotels in Hong denly found that they've taken Kong. room Shangri-La Hotel in Ma- a play on the entire region," While the share issue will di-nila, are being acquired from said Anne Fokstuen, an analyst lute existing stakes in Shangriat HG Asia Ltd. After the news, La Asia, the increase in the HG Asia downgraded Shangri-number of shares may make La shares to a "hold" from a Shangri-La stock easier to "buy," she said.

The acquisitions are expected encourage more investors to hotels in China and Hong to lead to a dilution in Shangri- buy the stock, which will be-Kong, will pay for the deal by La's earnings per share in the come a member of the benchissuing 415.9 million new shares next few years, said Liu Tai mark 33-stock Hang Seng Inpriced at 10 dollars each. This Fung, the company's chairman. dex on Feb. 28.

Shangri-La Asia's shares fell carnings per share because of 55 cents, or 6 percent, to 8.55 the growth potential of the mar-

ing China market. ue of the hotels, compared with People who'd bought Shan- a typical discount of 20 percent

While the share issue will ditrade, analysts said. That may

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# By Japan Hit 17-Year Low in '94

TOKYO — Japan's vehicle exports in 1994 plunged to their lowest level in 17 years, hit by appreciation of the yen and by growing production at the overseas plants of Japanese automakers, officials said Monday.

The Japan Automobile Manufacturers' Association said vehicle exports fell 11.1 percent from a year earlier, to 4.46 million in calendar 1994, the ninth

straight year of decline. Industry sources said exports were likely to remain sluggish this year because Japanese automakers, facing strong competition in markets such as Europe and the United States, had shifted more of their output to lower-cost factories abroad.

"Japan's vehicle exports will continue to fall because exports to the U.S. and Europe will remain slow, even if exports to other areas like Asia increase. Seiichiro Iwasawa, an analyst at Nomura Research Institute,

He predicted exports would fall about 3 percent, to 4,32 million, in 1995.

The association said vehicle exports to the United States rose 1.6 percent, to 1.64 million in 1994, their first gain in eight years. But passenger car exports to the United States fell 0.9 percent, to 1.44 million, their

eighth straight year of decline. An official said Japanese automakers had largely given up trying to increase exports, realizing that cars shipped from Japan could no longer compete in price with vehicles made locally, partly because of the strong yen.
"The slow sales of Japanese

cars in Europe in 1994 are unlikely to change in 1995," the official said. Japan's vehicle exports to the European Union fell 16.5 percent from a year earlier, to 815,911 last year, their third straight decline. They were well below a quota of 993,000 vehicles negotiated between Japan and the European

12 Month High Low Stock



#### **Very briefly:**

Seiyu Ltd. will sell shares and land to provide Tokyo City Finance Co., a subsidiary burdened with bad debts, with a 130 billion yen (\$1.3 billion) interest-free loan.

 Hitachi Ltd. plans 10 market a version of Sega Enterprise Ltd.'s successful Saturn video-game player.

Daiei Inc., Japan's largest supermarket chain, said damage from the Kobe earthquake would cost the company about 50 billion yen, giving it a loss for the year ending in February of about 26

 Japan's industrial production fell 0.5 percent in December after a 3 percent rise in November.

 Philippine Airlines Inc. posted a loss of 871.5 million pesos (\$35) million) for the first eight months of its financial year, compared with a year-earlier loss of 402 million pesos. The company also elected Lucio Tan to succeed Carlos Dominguez as chairman and chief executive officer.

• China's State Information Center said 77 percent of 4,000 state companies it surveyed were short of cash because of so-called triangular debts, which occur when producers cannot pay suppliers because their customers owe them money.

• Volkswagen AG plans to increase production of Audi sedans in China to 30,000 cars a year by 1996, according to Chinese press: reports; the German company has been making Audis in a venture with China First Automobile Factory since 1988.

• Siemens AG is to set up a joint venture with Shanghai Video & Andio Electronics Co. of China to produce telephones. Siemens said the venture would gain 10 percent of the Chinese telephone market in its first three years.

• Standard & Poor's Corp. affirmed Australia's AA long-term foreign-currency and AAA local-currency debt ratings, as well as its A-1-plus short-term debt ratings. AFP, AFX, Bloomberg, Rengers

This list compiled by the AP, consists of the 1,000 most traded National Market securities in terms of dollar value, it is updated twice a year.

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# **SPORTS**

# **Italy Suspends** Sports for a Day To Protest Killing

ROME - Italian sports authorities on Monday suspended all national sports events scheduled for Sunday in a response to the killing of a soccer fan in Genoa in an act of violence that shocked the nation.

The decision was made at a meeting in Rome of top officials from the Italian Olympic Committee and the Italian soccer league and federation, the Olympic body said.

Separately, Interior Minister Antonio Brancaccio called a meeting of chief security officials Monday to discuss new measures for sporting events.

This was a painful decision.

but it was a strong one and the correct one," said the Olympic committee's president, Mario Pescante. "Italian sport wants to say 'enough' to violence. Whoever kills at the stadium.

kills the game of soccer."
The death of Vincenzo Spagnolo, 25, outside the stadium where the Genoa team was to meet the European champion AC Milan, was the sixth soccerrelated death in Italy in the last

The police in Genoa said Monday that they had arrested a 19-year-old apprentice gardener from Milan, Simone Barbaglia,

in connection with the killing. The Milan-Genoa match was through the stands. The police kept Milanese fans sequestered in the stadium overnight, and clashed with Genoese fans who roamed the streets, burning cars with Milan license plates, setting fires and harding title

dows. Five people were arrested. and dozens - including police officers --- were wounded in the street violence.

According to Barbaglia. whose account the police said had been corroborated by others, the clash began with insults. escalated to blows and ended when he pulled out a 12-centimeter (5-inch) knife. He told the police he went on to the game, not knowing that he had

The incident has again focused attention on the increasingly violent behavior of 'ultras' - the name given to militant soccer fans who belong to clubs and associations linked to their

have been held for questioning and 260 people have been wounded, of which almost 200 were police officers, as a result of violence in and around the stadiums, according to a report by the Italian police union.

On Monday, commentators,

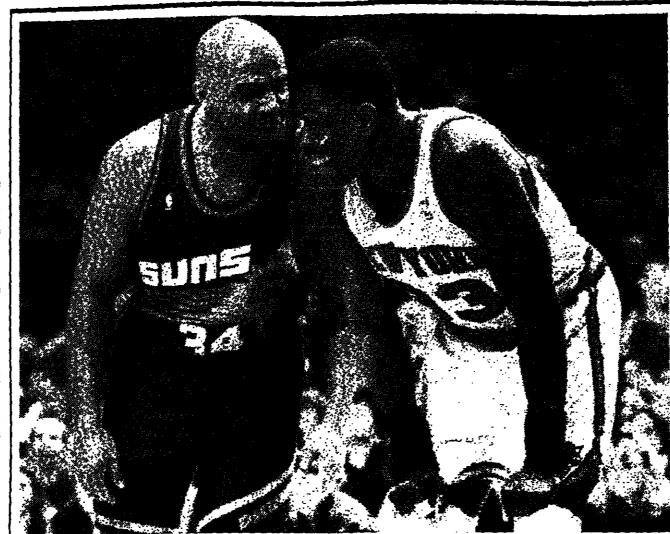
pushing for a law that would require known troublemakers to register with the police during soccer matches; others were calling for a ban against organized trips for fans to out-oftown games, restrictions on ticket sales and more careful control of the clubs by the sports organizations.

The Vatican's official newspaper called for stricter controls and punishments for violent soccer fans.

"Everything has been taken too seriously and a simple game has turned into a question of life and death," wrote L'Osservatore Romano.

The Olympic panel's state-ment Monday said Sunday's suspension would affect all national sports activities, includ-ing professional league soccer.

It will not affect an international Davis Cup world group first round tennis tie in Naples between Italy and the Czech Republic scheduled for Friday. Saturday and Sunday, a tennis federation spokeswoman said. (Reuters, NYT, AP)



STAR TALK - Charles Barkley of Phoenix joked with Patrick Ewing, whose Knicks were in the process of handing the Suns their worst defeat of the National Basketball Association season, a 107-88 loss in New York.

# Arkansas Upsets Kentucky, 94-92

The Associated Press

Things have been far from perfect for Nolan Richardson and the Arkansas Razorbacks since they won the national championship in April.

The luster of an offseason waiting for five returning starters to defend their title had fad-

#### COLLEGE BASKETBALL

ed quickly with a loss to Massachusetts in the season-opener. Things got worse with losses to Mississippi, Auburn and Ala-bama, the last the Razorbacks first defeat in Walton Arena.

Richardson was starting to let the fans and local media know he was getting tired of the team being knocked around for four losses, especially since Ar-kansas was still in the Top 10 and was still in the running for a successful defense of its first national championship.

"We have a few problems," he said last week. "That's O.K. I know how to work with those problems. I've been working hard to plug up the holes. We are trying to get it done."

The eighth-ranked Razorbacks did get it done Sunday with a 94-92 victory over No. 6 Kentucky, which kept the home losing streak from growing. bounder Ja Scotty Thurman's 15-foot ken hand.

jumper with 11 seconds to play gave the Razorbacks the victory, just as his 3-pointer with 51 seconds to play against Duke gave them the national championship in Charlotte.

The last chance for the Wildcats to extend their seven game winning streak ended when Jeff Sheppard was stripped of the ball on the baseline by Clint McDaniel, who was fouled and made one of two free throws

with 0.6 seconds left. Neither team led by more than five points over the fran-tic-paced final nine minutes and there were four lead changes and four ties in that

No. 14 Wake Forest 63, Vanderbilt 51: Tim Duncan had 22 points and 14 rebounds as the Demon Deacons bounced back the day after losing to No. 2 North Carolina by a point. Wake Forest had only into field goals over the final 15 minutes. but made 15 of 19 fee throws in that span. Ronnie McMahan had 21 points to lead the visit-

ing Commodores. No. 21 Georgia Tech Si. Florida St. 68: Travis Best scored 27 points to lead the visiting Yellow Jackets to the victory in their first game since losing leading scorer and rebounder James Fortest to a bro-

# America 3 Holds On SCOREBOARD The Milan-Genoa match was called off at halftime Sunday as word of the death swept through the stands. The police

SAN DIEGO - The allwomen's team America3 held off a late comeback by the favorfrom a thick sea log to win its second America's Cup race.

America3, with Leslie Egnot over Young America.

The outcome lifts the women into a second-place tie with wind change that lifted the boat Dennis Conner's Stars & to a 40-second lead at the first Stripes after the first day of the mark. In a freshening breeze second round of defender trials. downwind, Young America Young America is in first place. closed the gap to less than a

day, oneAustralia defeated the Ming at the second mark scut-New Zealand boat, NZI-39, in the impressive comeback. home teams.

Since the national championship began in September, 40

NZL-39 for most of the race and people have been arrested, 110

New Zealand Ocal, NZL-95, in the closest contest of the day.

But Young America was not out of it. America3 struggled with sail problems at the fourth mark and had kelp caught in lead at the final mark.

The Australian syndicate, the first round robin, won by 1:07. In the other contests, Team New Zealand defeated Sydney 95 by 1:56 and Japan's the police and sports officials Nippon Challenge was too day, Young America will race were calling for new approaches strong for Spain's Rioja de Es-Stars & Stripes.

paña, Japan finished 1:48 ahead of Spain.

Racing began in ideal conditions with a 10-knot breeze and Vound Imerica and emerged slight small Young America had the works in trotte and the start and sailed away with a 27second lead as the gun fired.

at the helm, took advantage of poor sail handling by its rival lowed, the all-women's team and crossed the finish line 14 began to gain on the men. But seconds ahead of Young Ameri- Young America lost its edge ca on Sunday. It was the first when skipper Kevin Mahaney victory by the women's team steered the boat to the right side of the course.

America3 went left into a On the challenger course Sun-boat length. But poor sail ban-

the rudder that was slowing the boat. By the final turn for home which had been beaten by NZL-39 nearly four minutes in front. Much of the final leg was hidden from view as a dense fog cloaked the final stages of the battle.

When racing resumes Mon- Top 25 College Results How the top 25 reams in The Associated

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24 18 16 29- 52 23 22 27 28--107 P: Borkley 8-192-20. Airge 9-125-92: N.Y.: Ewing 13-22 9-10 15, Starks 6-15 5-7 21. Rebounds—Phoenis 6: Borkley 9, New York of (Mason 19), Assists—Phoenis 17 iSchures Majerle, Ruffin 6: New York 26: 15'orts 9). Golden State 12 25 26 29— 95 Chicago 3: 36 33 16-116 G: Sprewell 3-13-7-10 13. Hardawa, 3-16-29 16: C: Pippen 9-13-9-27, Armstrong 6-195-519, Rebounds—Golden State 57 (Gugliotta, Wood 6), Chicago 21 (Pippen 8). State 17 (Hardaway 5). Chicago 29 (Pippen 8).

Sunday: 6-(prev.5) Kentucky (13-3) kost to No. 8. (prev. 9) Arkanson RA-92, Nert: vs. South Curolina of Louisville, Kv., Vedmesday: No. (prev. 16) Water Parest (12-4) best Varidensid

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Top 25

moted Press' college basketball rsi-place votes in Parentheses, re-rgh Jan. 29, fotal points based on 25

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Stenford	13-3	537	1.	We
Missouri	14-3	493	20	F
Villerovo	17.5	462	50	.00

ITALIAN FIRST DIVISION Cogilari 2, Flarentina 0 Standines: Juventus 39 points, Parmo 36, Lazio 31, AS Roma 31, AC Milen 22, Samadorie 26, Florentina 27, Bart 26, Costiori 25, Fospia 24, Inter Milan 24, Torino 23, Napoli 21, Cre**NHL Standings** 

Nashington

First Period: P-Stevens 4 (Cullen, K. Sorouelsson): P-Jagr 5 (Murphy, Robifolile);

(pp), P-Francis 1 (K. Samuelsson, Jagr): Secod Period: P-Robitolile 3 (Jost, Howgood);

Third Period: W-Allison 2 (Jose, Peohe);

Jan)

(Sronet, Savage); M-Savage 7 (Brunet, Ode-lein); Third Period; P-DiMpio 1 (Renberg), Overtime; None, Seots on goal; P 2-8-50—15.

phy 5 (Nicholis, Roenicki); (Apr). C-Graham 2 (B. Suffer, Weinrich); C-Ysebaer? 1 (Mar-phy); Second Period: L.A.-Pelli 1 (Gretzky, Kurri); (Apr). C-Roenick 2 (Ysebaer). Ampure); Third Period: C-Johansson 1, L.A. Oruce 3 (Lacroix, Todd). Shots on good; C 17-9-16—42. L.A. 4-12-11:—27. Goodles—C. Bellour. 1, A. Starr, Julks.

FOURTH TEST Australie vs. Emplored, final day Meadary, in Adelaide and ist Innings; 353 allo let Innings 419 and 2nd Januarys; 289

American Langue
CALIFORNIA-Signed Lann Durin Externate to minor tengoe controct.
TEXAS - Named Jim Byrd blayer-coach for Tulso, TL
TORONTO - Bossylf contract of Pot Wood-

roff, authoriter, from Tyler, Taxas-Louislant League, Bought carbract of Ron Reams, out-fielder, from Carous Christi, TL League, BASKETBALL

CLEVELAND-Put Mork Price, sword, or

National Football Langue BUFFALO—Signed Bobby Humphrey, run-

KANSAS CITY-Fired Tom Proft, defer signed to player personnel duties. Name Signed to provide personnel dollar, waters Gurther Cunninsham defensive line cooch NEW ENGLAND—Announced Mike Page will coach hight ends; Charite Weis will coach ruaning backs; Donte Scarnecchia will coach defense, focusing on Respotency; and Mau-

iulibacks and special feams. SEATTLE—Named Greg M

remain with the tea was remain with the real residency big further. DETROIT—Louned Bob Esterno, scattering, to Son Diesa. IVI.

HARTFORD—Recessional Morel, Molta, defensement, to Sor Despired, Molta, designed Ted Drury, center, to Sortenfield, Art., for conditioning.

HOCKET

conditioning
LOS ANGELES—Recorded Kin'in Brown,
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MONTREAL—Recorded Anatta Brochu,
goaltender, from Frachus,
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sive line cooch.

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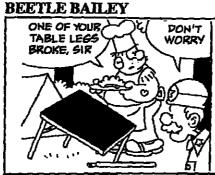
#### **PEANUTS**







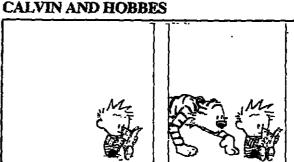






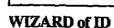






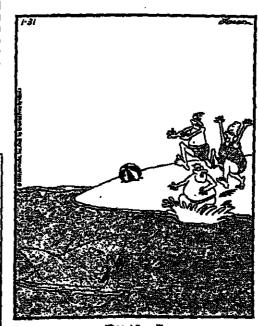








THE FAR SIDE



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# **SPORTS**

# 49ers Have It Their Way, Burning Chargers for 5th Super Bowl Victory

# San Diego Defense Stunned

By Gerald Eskenazi New York Times Service

MIAMI — They would not hold back, the Chargers promised. There was no way that the slick 49ers would finesse them. The San Diego desense would attack. The Chargers would stop the vaunted San Francisco offense from producing 40-yard gains after 8-yard completions. They would spring linebacker Junior Seau into the running and receiving lanes, allowing him to manhandle anyone wearing an opposing uniform.

But in the end, San Francisco did anything it wanted to do. It began the first time Steve Young looked for Jerry Rice and hit him for a 44-yard touchdown pass between the San Diego safeties.

"But they didn't care what on their first three possessions. defensive alignment we were Are they a great team? in," moaned Bill Arnsparger, the Chargers' defensive coordinator. "We blitzed them, we played man-to-man. They beat us in everything we were in."

The 49ers' counterpart to Arnsparger, Mike Shanahan, designed a way to take Seau out of the game. Shanahan, the 49ers' offensive coordinator, knows that Seau is an aggressive player who often commits himself too early.

So Shanahan told Young, his quarterback, to lure Seau with play-action: Fake the handoff to a runner and pass the ball. We knew they were an ex-

cellent team in stopping the nın," said Shanahan. "Junior is very aggressive, and we tried to offset his strengths with the play-action." And there was more false ex-

pectation on the part of the Chargers. They had planned so diligently to halt those short passes from becoming long gainers. Instead, Young went for the big plays. He connected for passes of 33, 44 and 51

The 49ers' left guard, Jesse Sapolu, explained the Niners'

philosophy against Seau:
"We knew San Diego's de-fense featured Junior and his athleticism, but we figured if we read the gaps right we could contain him," he said. "There were times he blitzed but we contained him. The guy we were concerned about was Leslie O'Neal, because he could kill our quarterback. Junior gets 15 or 16 tackles, but he doesn't get to the quarterback that much."

Seau, in fact, was in on the second tackle of the game, and then his name was rarely announced afterward.

They weren't doing anything special to Junior," said Arusparger. "The run wasn't the problem. We were getting in trouble with the pass. We just didn't get good coverage a few times and Young picked it

apart. Stanley Richard, the free safety, calls himself the Sheriff of the Posse. Darren Carrington, the strong safety, had planned in so many ways to make tackles on Rice and John Taylor.

Neither safety, however, expected the 49ers to spread their receivers wide, like running backs. The Chargers were caught off-balance. After Young connected with Rice for the touchdown on the third play of the game, San Diego got burned on the 49ers' next pos-

There was supposed to be help in the middle. There wasn't, and the 49ers' running

1 Scenic view

6 Hombres'

14 Back way

16 Four-in-hand

19 Military inits.

15 "Yup"

17 John -

back Ricky Watters teamed with Young on a 51-yard scoring play on which both safeties

got an arm on him, but missed.
"Everything they do," said
Richard, "they do well. It sounds so simple. But it's almost impossible to stop. It hurt us when they spread their running backs outside. That allowed their receivers to go to the open area."

As it was, Carrington had worried about the 49ers before the game. He spoke of having to watch Young's eyes and not getting tricked, and he spoke of how "a defensive back has to defend the 53-yard width of the field against the 49ers."

The 49ers opened things up and spread things out so much that they produced touchdowns "They're up there," said Arn-

#### Kecords

Game
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(previous: 5, Joe Montono, SF, 1990)
Highest positing average (min. 4
ents)-48.A, Brvon Wogner, SD (previous:
6.5, Jerrel Wilson, KC, 1970)
Mickell returns-8, Andre Colemon, SD
provious: 7, Sizephen Storring, NE, 1966)
Mickell return yeards-242, Andre Colemon,
D (previous: 198, Futton Walker, Miamil
ten)

Career
Points—42, Jerry Rice, SF (previous; 24,
-tonco Harris, Pittsburgh; Roger Craig, SF;
Jerry Rice, SF; Thurman Thomas, Buffalo,)
Tauchdeves—7, Jerry Rice, SF (previous;
4 Franco Harris, Pittsburgh; Roser Craig,
SF; Jerry Rice, SF; Thurman Thomas, Buffa-

Yords receiving—512, Jerry Rice, SF (pre-vious: 364 Lynn Swann, Piltsburgh) Touchdown receptions—7, Jerry Rice, SF

Toucasows receptions—7, Jerry Rice, SF (extends own record)
Combined set yerds—527, Jerry Rice, SF (erevious: 468, Franco Harris, Pittsburgh)
Records Tied
Game
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(Mike Cofer, SF 1990 and Lin Elilott, Dallas, Passes without interception—34. Stove Young, SF (Joe Montana, SF, 198) Touchdown receptions—3, Jerry Rice, SF (Jerry Rice, SF, 199a) pest kickoff return—98, Andre Coleman.

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vs. San Diego 26 (previous: 69, Dallas 52 vs.
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Yoschdeems (both teams)—18, San Francisco 7, San Diego 3 (previous: 9, Pittsburgh 5
vs. Dallas 4, 1979; San Francisco 8 vs. Denver
1, 1990; Dallas 7 vs. Buffato 2, 1993)
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San Francisco 7, San Diego 3, Inchading two 2polat conversions (previous: 9, Pittsburgh 5
vs. Dallas 4, 1979; Dallas 7 vs. Buffato 2, 1993)
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Diego 55, San Francisco 38 (previous: 92, Saftoto 57 vs. Washinshin 33, 1972)
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t punties everage—48.8. Son Diego s: 48.5. Konses City, 1970) return Yardope ( s: 222, Miomi, 1983)

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Son Dieso 342 vs. Son Francisco 41 (previous:
279, Milomi 222 vs. Washington 57, 1983)
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(Milomi 1974; Oakland 1981; and Dallas 1993)
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Francisco 14 vs. Son Dieso 7 (Dallas 14, Butfa10, 7, 1993) Paints ofter teachdown—7, Son Francisco (Son Francisco 1990 and Dajkas 1993) Touchdowns sessing (both teams)—7, Son Francisco 6 vs. Son Olego 1 (Philipburgh 4 vs.

all returns (both teams)—12. San Die-s. San Francisco 4 (Denver 9 vs. San



Jerry Rice scored the first of his three touchdowns on the 49ers first possession, the earliest TD in Super Bowl history.

# Seen From Afar, It's No Longer a Game

International Herald Tribune

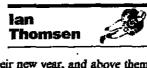
ONDON - They celebrated the Super Bowl as if it were New Year's Eve with a party at an American restaurant and native players from the London Monarchs as guests of honor. The Monarchs are going to appear with the new six-team (all European) World League in April.

The few British players were in their bright red and blue lan

uniforms

with the

number 95



to signify their new year, and above them and all around were TV screens showing live pictures from Miami of fireworks and people cheering for a game that hadn't "I was born in England, and I played

Division One college football in the States," Lewis Capes was saying from the middle of the party floor. The pro scouts had been giving him ideas of making the NFL until his ankle ligaments were torn early in his final year of college. "The scouts show a lot of interest," he said, "then a tiny, little thing goes wrong and you say, where did they all go?"

He was in the right surroundings to be is like Hollywood for big, strong guys. He he read a long article about the money Troy Aikman would be making in his first year of pro football in America. Capes decided he wanted to attend UCLA just like Troy Aikman, but he learned that a lot of guys his age who have been playing ahead of him. Capes ended up at a junior college in Santa Monica, California.

"I was playing with South-Central Los Angeles kids who didn't know where the heli I was from," he said. "One day in a scrimmage the defensive back blitzed and hit me from the other side of the quarterback, and I gave him a nice little forearm under his chin. He said, 'I don't fight guys like you, I just shoot 'em.' He came the next day with a bunch guys carrying base-ball bats looking for me. Lucky I wasn't at practice that day."

But he had to spend the rest of the year with that teammate.

"We became good friends," he said. "It was just kind of breaking the ice, really." He found much of the game hard to explain to English friends. How do you explain culture? He is 6 feet 4 inches (1.93 meters) tall, and as a rugby player he'd weighed 245 pounds (111 kilograms). After one year of American football he returned home 30 pounds heavier. He was a 300defensive tackle by his third season at Colorado State, which had accepted his transfer. He would try to explain to English friends the American-football science of eating as much of everything as he could possibly want — such meals are known as 'training table" - and then lifting weights having this conversation, because the NFL to convert the energy into explosive bulky muscle. His friends would just laugh and

"They know how to make you big over there," Capes said. "My body just went whoosh. Plus I just have it in me. My father was twice the world's strongest man -Geoff Capes — and he prefers me to get bigger and bigger. He likes the physical football for most of their lives were in line aspects of the game and the financial as-

pects of the game, and that's all that inter-

ests him about it." Ever since he realized what the ankle injury cost him among the NFL scouts, Capes has been looking forward to the resumption of the World League. Most of his teammates will be Americans. He doesn't need to know who they are; he just knows they're going to win. Little things like language differences,

cuisine, those things make a big difference," he said, "In Europe, we're the country that's most like the States. Our players are going to be the most comfortable. So, logically, the English player with the

American background should be the most comfortable of all. "I think so," he said

On this late Sunday night it would have been hard to guess which city he was in. The room is filled with costumes and props

from unmemorable films. In a corner were large cardboard cutouts of the restaurant's founding fathers - Sylvester Stallone, Arnold Schwarzenegger, Bruce Willis -placed in front of smaller cutouts of bigger stars like Paul Newman, Elizabeth Taylor, Sean Connery and Woody Allen. The TV screens were exploding with light as the players were being introduced for the biggest overblown game of all. "Do you ever imagine yourself playing

in this game?" Lewis Capes was asked. His face changed color as he looked up at the big screen. "If I get there, if I'm playing in the pros ..." he said; he didn't really have an answer. "I mean, I want to think about playing in it."

But that's the truth about the ultimate American game, isn't it? As seen from a touchdown passes set by Doug distance, it really isn't a game anymore.

### San Francisco Wins 49-26

By Thomas George New York Times Servi MIAMI - The San Diego hargers called tails.

The coin toss landed heads. And so it went for the Char-

The San Francisco 49ers took the ball after the coin toss in Super Bowl XXIX here on Sunday night and then went about their business in a methodical, piercing and decisive manner. Three plays. Touchdown. Four plays. Touchdown.

And so it went for the 49ers. Like so many other Super Bowls, this one became a lopsided affair, a 49-26 victory for the 49ers that not only made it 11 defeats in a row for the American Football Conference champion, but also put San Francisco on another level: the first franchise to win five Super Bowls.

In their two playoff victories to get here, the Chargers had led against Miami and Pittsburgh for only 5 minutes 48 seconds of those games' 120 minutes. They never led here on Sunday at Joe Robbie Stadium. And the 74,107 fans and the millions more watching on television were treated to an absolutely delicious performance by the 49ers receiver Jerry Rice and quarterback Steve Young.

Rice entered the game with a sinus cold. He even left the game for the locker room early with an injury to his left shoulder. He returned and he offered magic, finishing the night with touchdown catches of 44, 15 and 7 yards in a Super Bowl record-setting performance.
And combined with Young's performance, the Chargers were lest in misery.

lt got ugly fast for the Chargers. And Young, the game's watt most valuable player with six touchdown passes and no interceptions and 325 yards passing and 49 more rushing, handled the offensive controls with aplomb.

It was 28-10 at halftime and then the 49ers outscored the Chargers by 14-8 in the third quarter with San Diego winning the final period by 8-7. Back Ricky Watters contributed three touchdowns. "The thing that disappointed

me is that we just didn't play certain things well and I don't know whether we were awestruck or what," said the losing By the end of the first half.

Super Bowl records were dropping swiftly. In one half, Young matched the Super Bowl mark of four

Redskins seven years ago. Rice collected three career records on one opening drive scoring catch: most touchdowns (5). most points (30) and most yards (407 when the catch was made - and counting). A record was also set for a team scoring on its

first three possessions. The first play after the kickoff seemed simple enough. It was a run toward left guard Jesse Sapolu by fullback William Floyd that gained 4 yards. More significantly, that run pulled the San Diego safeties up closer to support the run defense. The next play was an 11yard strike from Young to wide receiver John Taylor, and on the play after that, Rice ran by

San Diego got the ball, ran three plays and punted. And then San Francisco scored again in four plays. Young set it up with a 21-yard scramble to the 49ers 49 on a third-and-3 play. And then he finished it with a pass to Watters for a 51-

So, the Chargers certainly needed to regroup, refocus and, most of all, keep the ball away from the 49er offense and run time off the clock.

They took the kickoff and kept the ball for the next 13 plays, the next 78 yards and the next 7:21. Third-down back Ronnie Harmon offered a plus, including a catch of 17 yards and a run of 10 yards. Natrone Means ran left and dove over from the ! to cut the 49ers lead to 14-7.

But the 49ers responded to the challenge, scoring on a 10play, 70-yard drive when Young tossed the ball 5 yards to Floyd, And then with 4:44 left before the half, it was Young to Watters again.

And so it went for the Char-

#### Super Bowl Champions

1903—Green Boy 33, Ockland 1 1965—Green Boy 33, Ockland 1 1969—N.Y. Jels 16, Boltimore 7 1976—Kansos City 22, Minnesoh 1971—Boltimore 16, Dollos 13 1972—Dollos 24, Miami 3 1973—Miami 14, Washinston 7 1965—San Francisco 38, Marni 14
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1990—San Francisco 35, Denver 1
1991—N.Y. Giortis 28, Buffato 19
1992—Washington 37, Buffato 24
1993—Dallos 52, Buffato 17
1994—Oaltos 30, Buffato 17
1994—Oaltos 30, Buffato 49, San Dies Williams of the Washington

## Statistics From Super Bowl XXIX

kickoff; Young 11 peas to Toylor, San Francis-co 7, San Dieso B.

SF—Watters 51 pass from Young (Brien kick), 4:35. Drive; 77 vards, 4-plays. Key play; Young 11 scramble on 3rd-and-3 from 4/ers 28. San Francisco 14, San Dieso 0. SD—Means 1 run (Corney kick), 12:16. Drive; 78 vards, 13 plays, Key plays; Humshries 3 run on 3rd-and-1 from Chargers 31: interference against Sonders in end Son Francisco 14. Son Diega 7.

Second Quarter

SF—Floyd 5 page from Young (Brien Lick),
1:59. Orive: 70 yards. 10 plays. Key plays:
Young 19 pags to Rice; Young 15 run; Young 1
run on 3 ru-and-1 from Chargers 4. San Francisco 21, San Diego 7.
SF—Wester, 8 page from Young (Brien)

**CROSSWORD** 

SAN DIEGO 7 3 8 8-26
SAN FRANCISCO 14 14 14 7-49
First Quarter
Figure 19 Young (Brien kick).
1:24. Drive: 97 Yords, 3 plays. Key plays: 15
yard facemask penalty against D-Akiller on

Third Quarter SF--Wotters Frun (Brien kick.),5:25.Orive: 62 vands, 7 plays, 3:25. Key plays; Young 16 pass to Rice; Young 21 pass to Rice on 3rdand-17 from Afters 47; Young 16 pass to Taylor. and-17 from 4Pers 47; Youns 16 pass to Tovior.

Sn Francisco 35, San Diego 10,

SF—Rice 15 pass from Young (Brien kick),

11:42 Drive: 67 yarda, 19 plays, Key plays: 22yard pass interference against Gordonon 3rdand-14 play from 4Pers 40; Watters 13 run;

Young 13 run, San Francisco 42, San Diego 10,

SD—Coleman 98 kickoff return (Seay pass

from Humphries), 11:59, San Francisco 42,
San Diego 18.

Fourth Quarter
SF—Rice 7 pass from Young (Brien kick),
1:11. Drive: 32 yards, 6 plays; Key plays; Abes
take over on Chargers 32 after bolding San
Diego an downs; Watters 13 run on 3rd-and-2

FIRST DOWNS NT YDS RUSHING T YDS PASSING Completed Att.

from Chargers 24. San Francisco 49, San Die-SD-Martin 30 pass from Humphries (Pu puru pass from Humphries), 12:35. Drive: 67

25 267 27-55 530 2-18 3 4-49 2-3 1-1 2-2 0-0 6-43 1-0 28:29 PENALTIES-YOS FUMBLES-LOS! TIME OF POSSESSION

INDIVIDUAL STATISTICS

Humphries Glibert Total



lt was that kind of night for Chargers' QB Stan Humphries, sacked by Dana Stubblefield.

# **Emirates**



DOWN

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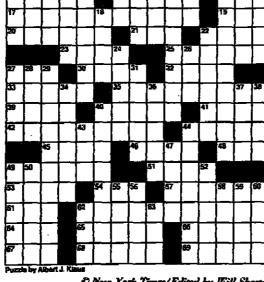
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New York Times/Edited by Will Short:

Solution to Puzzle of Jan. 30 ENTISLE CHIT EST FIGS ARM DES TAKEASHORTCUT BLAME VIEW ALSO LINO SADAS GOER

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#### ART BUCHWALD

### Last Words on O.J.

WASHINGTON — The only topic of conversation that anyone will pay attention to is the O.J. Simpson trial. Therefore, it is important that when you meet people you are

prepared to say something intelligent to prove that you understand what's going

Here are a few one-liners you can drop at a dinner or party:

i haven't watched the trial, but I read the

I was once on a sequestered jury for a month, and I wound up taking Prozac.

It doesn't matter if O. J. did it or not — he should be punished for screwing up our day.

The only thing I know about the trial is that you can't have enough DNA to make the prosecution happy.

#### Tomb Linked To Alexander

The Associated Press

C AIRO — Greek explorers have discovered two limestone plaques they hope will prove that Alexander the Great was buried in the remote Egyptian oasis of Siwa, 80 kilometers (50 miles) east of the Libyan

border. The two plaques were uncovered last week by a newly excavated tomb near Siwa and the Oracle Temple, Egyptian news-

papers reported.

The inscriptions on the plaques are written in Greek and describe how Ptolemy, one of Alexander's aides and his successor, brought his master's body to the tomb and buried it.

My sister doesn't like F. Lee Bailey picking on Robert Shapiro. And my mother doesn't like Robert Shapiro picking on F. Lee Bailey, and I don't like

who did it.

Marisa keeps yelling at the television set while the trial is on so I never get to hear what's

this right now - Judge Ito needs a new barber.

uma than The Star.

I don't have to make up my own mind on the case because every TV station has someone to tell me what I should think.

If O. J. is found not guilty, Hertz will have to give him a

look like Detective Fuhrman committed the crime. If they find who that person is, every-one will lose interest in the trial and go back to soap operas.

about the case until Geraldo Rivera makes his summation to

he speaks so low that we can't

play football, and he wasn't all

my husband picking on Marcia Clark\_ I believe that a man is innocent

until proven guilty except in a case like this when you're certain

happening. I baven't made up my mind about O. J., but I can tell you

I think that The National Enquirer has a better bridge col-

This is what my sister in Forest Hills thinks: Someone planted the bloody glove to make it

I won't reach any conclusions

I hate it when the judge calls the lawyers up to the bench and

hear anything that he's saying. I once saw O. J. Simpson

I don't know why we're picking on Simpson. There is enough guilt to go around for all

I wish they would speed up the proceedings on the day I have to go to the hairdresser.

You see the trial more clearly when you watch it on MTV.





Nigel Hawthorne and Helen Mirren in Nicholas Hytner's film "The Madness of King George," based on Alan Bennett's play; the Princess of Wales and Prince Charles in 1992.

# Royal Progress: Predicaments of the 18th and 20th Centuries

By Caryn James New York Times Service

NEW YORK — "To be Prince of Wales," says the Prince of Wales, "is not a posi-

tion; it's a predicament."

The line is spoken in 1789, but it leaps out of "The Madness of King George" like a giant poke in the ribs. Who could fail to connect his words with a more familiar Prince of Wales, whose life seems to be one constant predica-

The audience barely has time to absorb this sly allusion before another character whispers about the prince's wife, "She has more sense than he does.'

Nicholas Hytner's film, based on Alan Bennett's play "The Madness of George III," is glittering, swift, entertaining and eloquent. It is also a movie for people who can't get enough of those wacky Windsors.

"The Madness of King George," of course. concerns the Hanoverian monarch who lost the Colonies and occasionally seemed to lose his mind, an ancestor of the current Windsors we have come to know and scrutinize with the best

George III's symptoms of derangement have since been diagnosed as a metabolic disorder

called porphyria. As an on-screen note at the end of the film explains: "The disease is periodic, unpredictable — and hereditary." The harsh emphasis on heredity offers another nudge, as

if to say, "Now, that would explain a lot."

But "King George" is too smart to be an allegory of today's British royals. Instead, the film is a perfect parallel of 1990s contradictory ideas about royalty: the sense that they are only human, combined with genuine sympathy for their entrapment in the public eye; the awe of royal wealth and spectacle; the fascination with

palace intrigue. "King George" is the most dazzlingly cinematic of current films, full of visual clues to character and history; its glitzy surface suits our sense of the royals as the ultimate celebrities.

Taking its cue from the royals' pop-culture fame, the film emphasizes personality, not history. The king (played by Nigel Hawthorne) is fond of the homey nickname his subjects have for him, Farmer George (from his interest in creating model farms).

The historical references are couched in personal terms. "I have had no peace of mind since we lost America," the king says, And though the story involves the Prince of Wales's scheme to become regent and take over his father's power. plied to fancies of reincarnation as a tampon,

his actions carry more significance as a family betrayal than as a historical crisis.

The very language of the film brings the monarch down to earth and into the present. "Come on let's get it over with." George says when parading off with Queen Charlotte (Helen Mirren) and their 15 children to attend the opening of Parliament.

No one surrounding the king treats him as an intimate, of course - except the queen and the movie camera. When the king's equerry, Greville (Rupert Graves), suggests that one of the mon-arch's doctors should examine him because "the king is just a man," the doctor explodes, "You're the king's equerry, with radical notions like

The line is designed to make contemporary audiences see Greville as enlightened and the doctor as a dangerous buffoon.

Yet even the best of the king's doctors realizes that however human, rovals are different from you and me. As Dr. Willis (Ian Holm), a protopsychiatrist, puts it: "The state of monarchy and the state of lunacy share a frontier. Some of my lunatics fancy they are the king. He is the king. Where shall his fancy take refuge?

Such eloquence might seem misplaced if ap-

but who's to say? As in some authorized biographies, here intimacy with the royals is used to

evoke sympathy. "Do you think you're mad?" Charlotte asks after one of the king's outbursts, when he has awakened the family in the middle of the night to

flee from some imaginary danger. "I don't know," he answers quietly, and their conversation is interrupted by two retainers who have come to take the king away. "Can we never be solitary?" the queen yells. The answer is

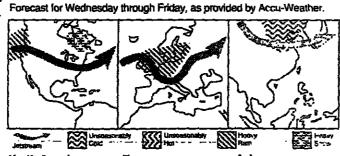
obvious. Hytner, whose extravagant stage work includes "George III," "Carousel" and "Miss Scigon," has directed a film that carries no whiff of the theater. Many of the sequences in Parliament

and the palace have a foggy look. When the king emerges from his madness and takes his family to worship at St. Paul's - in thanks and as a public relations gesture displaying his new health — the film is shot with sudden, bright clarity, like a tourist's postcard of

the royals as they wish to be seen.
"There are model farms, model villages, we must be a model family," the king whispers to his unsettled family, presenting a false picture of harmony that echoes eerily today. "Let them see we're happy. It's why we're here."

#### WEATHER

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THREE weeks ago, Edward Burns was 1 living on peanut-butter sandwiches and struggling to put the final touches on his first movie. The Brothers McMullan." Now he is enjoying the limelight after winning the Grand Jury Prize for best dramatic film at the Sundance Film Festival for independent movies in Park City, Utah. On the documentary side, the festival, founded by Robert Redford, gave top honors to "Crumb," a portrait by Terry Zwigoff of the cartoonist Robert . . . In London, Jim Sheridan's "In the Name of the Father" was named best film and "Four Weddings and a Funeral" won three top awards in the annual Evening Standard Film Awards. Hugh Grant won the Peter Sellers award for best comic performance in "Four Weddings": other "Four Weddings" win-ners were Kristin Scott Thomas for best actress and Richard Curtis for best screenplay. Best actor went to Ben Kingsley for Schindler's List.

Turner Broadcasting has forced Salman Rushdie to remove lyrics to the theme song of the cartoon series "The Flintstones from the U.S. edition of "East, West," a

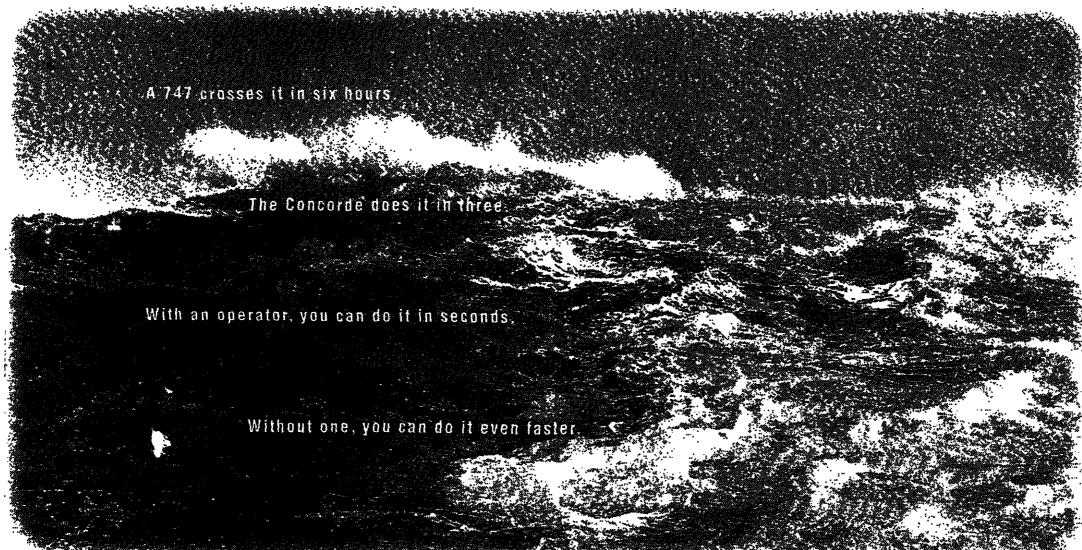


**PEOPLE** 

Kristin Scott Thomas and Ben Kingsley, winners of British film awards. collection of short stories, Newsweek mag-azine reports. "If I quoted these lines, somebody would shoot Fred Flintstone?" an annoyed Rushdie asked in an interview. A Turner srokesman said, "Adequate details of he they are going to be used and in what context must be provided. In this case, adequate details were not provided, so we declined to participate.

Newspaper reports that Queen Elizabeth held a meeting with her sons Charles w to urge divorces from the estranged wives prompted a palace denial on Monday. The papers quoted royal sources as saying that the queen bluntly told the princes that divorce was vital to polish the royals' tarnished reputation. But Buckingham Palace said it was "wildly speculative" to link the meeting with the princes' marriages.

Branford Marsalis bid adieu to "The Tonight Show" with a montage that included him in drag. Marsalis has conducted the NBC Orchestra since Jay Leno replaced Johnny Carson as host in 1992. He's taking a break to spend more time with his son and tour with his band.



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